

# **CAPE AGULHAS MUNICIPALITY**

## **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2015/2016 TO 2017/2018**



KAAP AGULHAS MUNISIPALITEIT  
CAPE AGULHAS MUNICIPALITY  
U MASIPALA WASECAPE AGULHAS

**ANNUAL BUDGET OF  
CAPE AGULHAS  
MUNICIPALITY**

**2015/16 TO 2017/18  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

**Copies of this document can be viewed:**

- In the foyers of all municipal buildings
- All public libraries within the municipality
  - At [www.capeagulhas.gov.za](http://www.capeagulhas.gov.za)

## Table of Contents

<b>PART 1 – ANNUAL BUDGET .....</b>	<b>2</b>
1.1 VISION & MISSION.....	2
1.2 MAYOR’S REPORT .....	2
1.3 DRAFT COUNCIL RESOLUTIONS .....	7
1.4 EXECUTIVE SUMMARY .....	8
1.5 OPERATING REVENUE FRAMEWORK.....	26
1.6 OPERATING EXPENDITURE FRAMEWORK.....	34
1.7 CAPITAL EXPENDITURE .....	39
1.8 ANNUAL BUDGET TABLES.....	41
<b>PART 2 – SUPPORTING DOCUMENTATION.....</b>	<b>59</b>
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	59
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP .....	60
2.3 OVERVIEW OF BUDGET RELATED-POLICIES.....	67
2.4 OVERVIEW OF BUDGET ASSUMPTIONS .....	67
2.5 OVERVIEW OF BUDGET FUNDING .....	69
2.6 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS .....	75
2.7 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY .....	77
2.8 COUNCILOR AND EMPLOYEE BENEFITS .....	78
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.....	80
2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS .....	87
2.11 CAPITAL EXPENDITURE DETAILS .....	87
2.12 LEGISLATION COMPLIANCE STATUS .....	98
2.13 OTHER SUPPORTING DOCUMENTS.....	99
2.14 MANAGER’S QUALITY CERTIFICATE.....	112
<b>PART 3 – APPENDICES.....</b>	<b>113</b>
3.1 APPENDIX A – TARIFF LISTING .....	113
3.2 APPENDIX B – TIME TABLE TABLED BY MAYOR .....	113
3.3 APPENDIX C – DRAFT SDBIP .....	113

## Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
MM	Municipal Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

## **Part 1 – Annual Budget**

### **1.1 Vision & Mission**

#### **Our Vision**

To render continuous, sustainable effective services to all inhabitants and visitors in the area in order to create a healthy and safer environment for happy communities.

#### **Our Mission**

“We the Cape Agulhas Municipality will strive to render the best affordable municipal services in a sympathetic manner to the whole area and its inhabitants in order to create a happy economic active and informed community.”

This will be achieved through:

- Enhanced service levels in the whole area
- Enhanced human development and health
- Sustainable development
- Effective financial management of municipal resources
- Institutional transformation

### **1.2 Mayor’s Report**

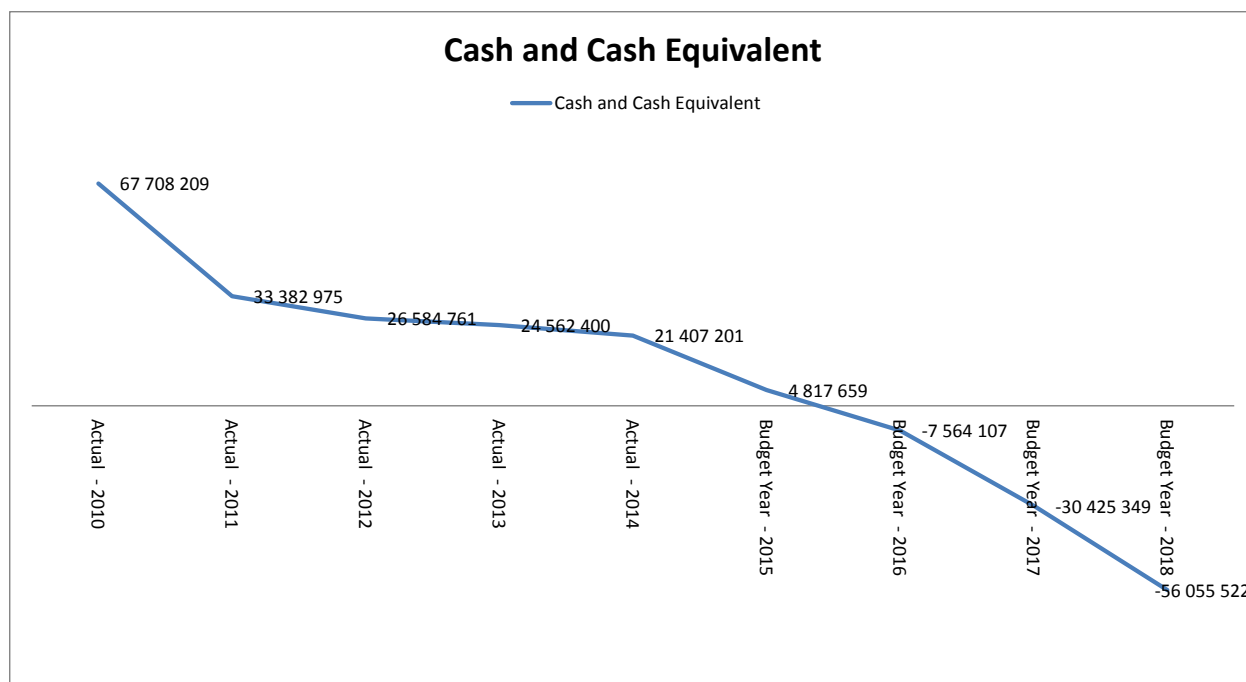
Section 215 of the Constitution of the Republic of South Africa requires that all National, Provincial and Municipal budgets and budgetary processes promote the following principles -

- Transparency;
- Accountability; and
- The effective financial management of the economy, debt and the public sector.

In order to fulfill this constitutional obligation towards the citizens of South Africa, sound financial principles and policies should be adopted and applied by municipalities at all times.

Most municipalities in South Africa, with Cape Agulhas Municipality being no exception, are faced with numerous community needs and infrastructure backlogs. On the other hand, the cash resources available to eradicate infrastructure backlogs and to attend to the vast number of needs are very limited. It is thus the responsibility of Council to strike the perfect balance between delivering high quality basic services while also ensuring that the municipality remain financially viable.

Unfortunately, the budget presented for consideration does not promote the financial viability of the municipality. If the proposed expenditure program is fully implemented, the following downward trend in cash resources will become evident:



This downward trend in cash resources will not only be detrimental to the financial health of the municipality, it is also inevitable that service delivery will eventually come to a complete standstill.

From a sustainability point of view, it is of the utmost importance to ensure that budgets are implemented where cash resources are maintained (or even improved) at acceptable levels. In order to ensure that acceptable levels of cash are maintained at all times, a combination of the following strategies should be implemented immediately:

- Cut back on operational expenditure to a point where the budget will be cash funded. Council should refrain from allocating resources to non-priority expenditure items.
- Reduce the capital program to ensure that it is affordable within the limitations of the current structure the municipality is operating in.
- Raise external loans (within the borrowing limits of the municipality) for capital purposes to alleviate the pressure on cash resources of the municipality.

The following longer term strategies should also be explored:

- Explore avenues to increase internal revenue streams. Currently the only option for the municipality is to increase rates and tariffs. The municipality should however guard against excessive increases that might be counterproductive and lead to an increase in non-payment;
- Ensure that all departments with the ability to generate own revenue become cost reflective (ie traffic department). These departments should not be financed from property rates or service charges; and/or

- Explore further avenues to obtain more grant funding for operating and capital purposes (keeping in mind the additional maintenance expenditure that will still be the liability of the municipality even though the additional capital acquisitions are financed from external sources).

A full viability analysis will be presented in Section 1.4 of this report.

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the Integrated Development Plan. National Treasury's MFMA Circular No. 74 and No. 75 was also used to guide the compilation of the 2015/16 MTREF.

The Medium Term Budget Policy Statement (MTBPS) 2014 highlights that South Africa's economic performance has deteriorated over the past several years. Gross domestic product (GDP) growth of 1.4 per cent is estimated in 2014, down from 3.6 per cent in 2011. GDP growth is projected to improve over the medium term as infrastructure constraints ease, private investment recovers and exports grow. Economic growth is expected to rise gradually over the medium term, reaching 3 per cent by 2017. Inadequate electricity supply, however, will impose a serious constraint on output and exports over the short term.

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. Accordingly, municipalities must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore, municipalities must ensure that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritization of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy has an adverse effect on the consumers. As a result municipalities' revenues and cash flows are expected to remain under pressure. Furthermore municipalities should carefully consider affordability of tariff increases, especially as it relates to domestic consumers while considering the level of services versus the associated cost. To assist municipalities, Government will also provide support to improve revenue collection.

The Medium Term Strategic Framework (MTSF) priorities for structural reform over the period ahead include:

- Building the capacity of local government through the **“back to basics”** approach which will focus on improving service delivery, accountability and financial management. Local government should be effective and efficient; and this will be measured by its ability to perform the basic mandate of service delivery.
- Reshaping South Africa's urban environment through integrated spatial planning and an expansion of the municipal debt market. Municipalities play a critical role in growing the economy through well-planned and well-managed urbanisation. In order to achieve this, large municipalities require massive investment to stimulate growth, maintain infrastructure and ensure that basic services are provided for growing populations. Over the next three years, the government will roll-out a new approach to local government infrastructure financing. Incentives will be introduced to encourage large urban municipalities to promote more compact, efficient and equitable cities. Planning will focus

on developing mixed-use precincts that can help to catalyse economic activity, and on upgrading informal settlements. Government will also aim to improve the management of infrastructure financed from grants and own sources, with emphasis being placed on the ability of municipalities to expand their own contribution to infrastructure development.

Sustainable job creation remains a national priority. Cape Agulhas Municipality is committed to this cause through the full participation in the Expanded Public Works Program (EPWP). The municipality does however recognise the fact that the EPWP incentive provided by National Government will not succeed as a stand-alone solution to address unemployment and poverty in the municipal area. For this reason, economic growth that benefits all has also been identified as the first major priority in the IDP. Strategic goals contained in the IDP can be summarised as follows:

<b><i>Institutional Transformation and Organisational Development</i></b>	Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practises and training
<b><i>Provision of Infrastructure for Basic Service Delivery</i></b>	Development and regular maintenance of bulk infrastructure such as roads, storm water networks, potable water networks, waste water treatment plants, land and integrated human settlements. Provision of quality basic services such as water, electricity, refuse removal and sanitation
<b><i>Economic Development</i></b>	To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities
<b><i>Financial Viability</i></b>	To implement sound financial management systems & procedures that will ensure the financial viability of Cape Agulhas Municipality Prepare a budget and exercise effective asset management over the resources of the municipality
<b><i>Good Governance</i></b>	To provide an administration that ensures public participation in a transparent and accountable way as well as to promote intergovernmental relations Promote service excellence and a corruption free environment
<b><i>Human Development</i></b>	To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods

The Integrated Development Plan (IDP) is a 5 year strategic developmental plan, setting strategic and budget priorities as required in terms of the Municipal Systems Act of 2000. It is a plan to help us set our budget priorities, so in essence it indicates how Cape Agulhas Municipality will spend its money for the next five years. The IDP should be aligned with the development plans



of provincial and national government, and is agreed upon between Cape Agulhas Municipality and the residents during the public participation process. Therefore the IDP enables Cape Agulhas Municipality to make the best use of scarce resources and it also enables the councillors to make decisions based on the needs and priorities of their communities.

With the IDP, Cape Agulhas Municipality can:

- Develop a clear vision
- Identify its key development priorities
- Formulate appropriate strategies
- Develop the appropriate organisational structure and systems
- Align resources with development priorities

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Operating Overview of the 2015/16 MTREF (R'000)**

R thousand	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Operating Revenue	226 499	215 431	246 693	279 643
Total Operating Expenditure	242 116	230 122	273 031	305 931
<i>Surplus/(Deficit) before capital transfers</i>	(15 617)	(14 691)	(26 338)	(26 288)
Transferred Recognised Capital	14 352	13 464	13 761	12 965
<i>Surplus/(Deficit) for the year</i>	(1 265)	(1 227)	(12 577)	(13 323)

**Table 2 Consolidated Capital Overview of the 2015/16 MTREF (R'000)**

R thousand	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital Expenditure - Standard</b>				
<i>Governance and administration</i>	457	1 759	1 199	477
<i>Community and public safety</i>	6 764	6 426	4 312	3 978
<i>Economic and environmental services</i>	10 795	6 136	15 615	16 365
<i>Trading services</i>	8 324	8 930	11 470	7 480
<i>Other</i>	–	–	–	–
<b>Total Capital Expenditure</b>	<b>26 340</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>

### 1.3 Draft Council Resolutions

**(The following resolutions must be taken at the final budget approval. It is listed here as required by the Regulations)**

It is recommended that the Council approves and adopts the following resolutions for the annual budget:

The Council of Cape Agulhas Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1. The annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables in part 1.8 of this report
  - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
  - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
  - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
  - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables in part 1.8 of this report:
  - 1.2.1. Budgeted Financial Position as contained in Table A6;
  - 1.2.2. Budgeted Cash Flows as contained in Table A7;
  - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
  - 1.2.4. Asset management as contained in Table A9; and
  - 1.2.5. Basic service delivery measurement as contained in Table A10.
2. The Council of Cape Agulhas Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014:
  - 2.1. the tariffs for property rates – as set out in Annexure A,
  - 2.2. the tariffs for electricity – as set out in Annexure A
  - 2.3. the tariffs for the supply of water – as set out in Annexure A
  - 2.4. the tariffs for sanitation services – as set out in Annexure A
  - 2.5. the tariffs for solid waste services – as set out in Annexure A
3. The Council of Cape Agulhas Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015 the tariffs for other services, as set out in Annexure A.
4. Council takes note of the fact that the entire MTREF is not cash funded.

## 1.4 Executive Summary

For Cape Agulhas Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue to fund the expenditure program of the municipality. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

**Table 3 Consolidated Overview of the 2015/16 MTREF (R'000)**

R thousand	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Operating Revenue	226 499	215 431	246 693	279 643
Total Operating Expenditure	242 116	230 122	273 031	305 931
<i>Surplus/(Deficit) before capital transfers</i>	(15 617)	(14 691)	(26 338)	(26 288)
Transferred Recognised Capital	14 352	13 464	13 761	12 965
<i>Surplus/(Deficit) for the year</i>	(1 265)	(1 227)	(12 577)	(13 323)

As can be seen from the above, the growth in own revenue is not keeping up with the growth in operating expenditure over the MTREF. This will result in the scenario where insufficient revenue is generated to cover all operating expenditure. In fact, the budget is not even in a surplus when we also include the capital transfers which are already earmarked for capital purposes.

We recognise the fact that there are significant non-cash items included in operating expenditure (such as depreciation), and ultimately the municipality should review the impact that the proposed budget will have on the cash position of the municipality before reaching any conclusions with regards to the affordability of the planned expenditure program.

From a cash flow perspective as indicated below, it becomes evident that the budget is not affordable. It is projected that approximately R60 million in cash will be consumed during the MTREF, while is anticipated that only R 4.818 million in cash will be available to consume at the start of the MTREF.

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates, penalties & collection charges	31 227	33 477	37 870	40 739	41 200	48 108	50 513	53 039
Service charges	85 597	93 542	100 724	111 449	114 526	115 980	124 778	134 209
Other revenue	9 327	13 622	8 993	10 781	10 200	10 886	11 473	12 047
Government - operating	60 327	63 697	52 700	47 665	46 725	30 290	49 172	68 946
Government - capital	8 592	23 712	17 099	11 071	12 921	13 464	13 761	12 965
Interest	2 779	2 712	2 660	2 390	2 541	2 740	2 877	3 021
<b>Payments</b>								
Suppliers and employees	(181 983)	(198 206)	(191 298)	(212 682)	(223 393)	(210 376)	(249 890)	(281 837)
Finance charges	(351)	(665)	(1 142)	(1 242)	(114)	(1 558)	(1 613)	(1 630)
Transfers and Grants	–	–	–	–	–	(1 539)	(1 570)	(1 601)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>15 516</b>	<b>31 892</b>	<b>27 606</b>	<b>10 170</b>	<b>4 607</b>	<b>7 995</b>	<b>(499)</b>	<b>(840)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	367	230	–	–	–	–	–	–
Decrease (increase) other non-current receivable	33	29	33	6	7	6	6	6
Decrease (increase) in non-current investments	–	(377)	(21)	–	–	–	–	–
<b>Payments</b>								
Capital assets	(23 082)	(33 700)	(30 731)	(14 701)	(21 154)	(23 251)	(32 596)	(28 300)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(22 683)</b>	<b>(33 818)</b>	<b>(30 720)</b>	<b>(14 695)</b>	<b>(21 148)</b>	<b>(23 245)</b>	<b>(32 590)</b>	<b>(28 294)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Borrowing long term/refinancing	731	44	168	–	–	3 090	11 690	5 235
Increase (decrease) in consumer deposits	272	260	231	213	255	273	292	312
<b>Payments</b>								
Repayment of borrowing	(635)	(399)	(440)	(311)	(304)	(494)	(1 755)	(2 043)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>368</b>	<b>(96)</b>	<b>(42)</b>	<b>(98)</b>	<b>(49)</b>	<b>2 868</b>	<b>10 227</b>	<b>3 505</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(6 798)</b>	<b>(2 022)</b>	<b>(3 155)</b>	<b>(4 623)</b>	<b>(16 590)</b>	<b>(12 382)</b>	<b>(22 861)</b>	<b>(25 630)</b>
Cash/cash equivalents at the year begin:	33 383	26 585	24 562	18 066	21 407	4 818	(7 564)	(30 425)
Cash/cash equivalents at the year end:	26 585	24 562	21 407	13 443	4 818	(7 564)	(30 425)	(56 056)

With the limited consumer base in the municipal area and already a significant portion of revenue derived from these consumers, the municipality might not have any alternative to cutting costs to ensure that the municipality remains a going concern in the foreseeable future. Effectively there will be no available funds to support any capital items from internal sources.

A revised vote structure will be introduced during the MTREF. The vote structure will be aligned in the following 6 votes with the relevant departments allocated to each:

<u>Executive and Council</u>	<u>Infrastructure</u>	<u>Budget and Treasury Office</u>	<u>Corporate Services</u>	<u>Community and Social Services</u>	<u>Electricity</u>
Municipal Manager	Administration	Finance	Corporate Services	Library	Electricity
Council General Expenses	Workshop	Supply Chain Management	Human Resources	Vehicle Testing Station	
Office of the Municipal Manager	Streets & Stormwater	Revenue Management	Town Planning/Building Control	Protection Services	
Strategic Planning and IDP	Water	Expenditure Management	Information Technology	Environmental Services	
Internal Audit	Sewerage & Sanitation	Budget and Treasury Office	Client Services	Beaches & Public Amenities	
Risk Management	Solid Waste		Administrative Support Services	Parks and Sports Facilities	
				Cemetery	
				Buildings and Commonage	
				Public Services	
				Housing	
				Social Development	
				Administration	
				Traffic	

In line with the proposed vote structure, the following revenue (excluding capital transfers) is appropriated to each vote (as illustrated below). The municipality should carefully review each of these departments to identify areas where expenditure levels can be reduced.

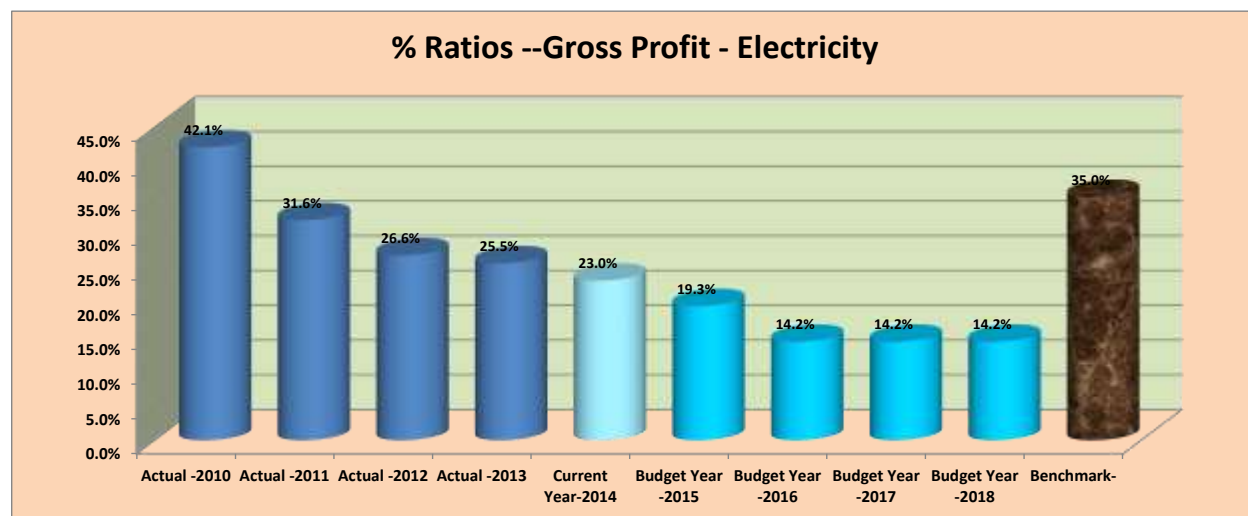
R'000	2015/2016			2016/2017			2017/2018		
	Revenue	Expenditure	Surplus/ (Deficit)	Revenue	Expenditure	Surplus/ (Deficit)	Revenue	Expenditure	Surplus/ (Deficit)
<b>Executive and Council</b>	13 309	16 271	(2 962)	14 780	17 235	(2 455)	16 417	18 018	(1 601)
Municipal Manager	-	2 415	(2 415)	-	2 554	(2 554)	-	2 695	(2 695)
Council General Expenses	13 309	9 270	4 039	14 780	9 708	5 072	16 417	10 101	6 316
Office of the Municipal Manager	-	1 095	(1 095)	-	1 171	(1 171)	-	1 252	(1 252)
Strategic Planning and IDP	-	1 545	(1 545)	-	1 641	(1 641)	-	1 740	(1 740)
Internal Audit	-	1 387	(1 387)	-	1 485	(1 485)	-	1 518	(1 518)
Risk Management	-	559	(559)	-	677	(677)	-	712	(712)
<b>Infrastructure</b>	46 551	45 905	646	48 785	51 212	(2 427)	52 037	54 053	(2 016)
Administration	1 341	2 640	(1 298)	552	1 954	(1 402)	572	2 119	(1 547)
Workshop	-	921	(921)	-	973	(973)	-	1 027	(1 027)
Streets & Stormwater	-	10 629	(10 629)	-	14 943	(14 943)	-	15 865	(15 865)
Water	21 085	12 247	8 838	22 666	12 874	9 792	24 366	13 538	10 828
Sewerage & Sanitation	9 569	6 889	2 680	10 283	7 288	2 995	11 052	7 712	3 340
Solid Waste	14 556	12 579	1 976	15 283	13 180	2 104	16 047	13 793	2 254
<b>Budget and Treasury Office</b>	54 368	31 204	23 163	57 271	34 433	22 837	60 950	35 300	25 649
Finance	1 230	5 745	(4 515)	1 475	6 036	(4 561)	2 363	7 063	(4 700)
Supply Chain Management	10	2 029	(2 019)	10	2 154	(2 144)	10	2 290	(2 280)
Revenue Management	51 023	9 782	41 240	53 575	11 972	41 604	56 256	10 887	45 369
Expenditure Management	2 105	2 943	(838)	2 210	3 112	(902)	2 321	3 283	(962)
Budget and Treasury Office	-	10 705	(10 705)	-	11 160	(11 160)	-	11 778	(11 778)
<b>Corporate Services</b>	2 170	21 797	(19 627)	2 282	28 000	(25 718)	2 385	30 243	(27 858)
Corporate Services	-	1 515	(1 515)	-	6 636	(6 636)	-	7 064	(7 064)
Human Resources	600	5 104	(4 504)	630	4 979	(4 349)	662	5 249	(4 588)
Town Planning/Building Control	520	5 015	(4 496)	549	5 595	(5 046)	566	5 906	(5 340)
Information Technology	-	2 224	(2 224)	-	2 409	(2 409)	-	3 180	(3 180)
Client Services	-	2 135	(2 135)	-	2 270	(2 270)	-	2 413	(2 413)
Administrative Support Services	1 051	5 803	(4 752)	1 103	6 111	(5 008)	1 158	6 431	(5 274)
<b>Community and Social Services</b>	15 072	33 565	(18 494)	33 362	54 875	(21 513)	50 920	74 642	(23 722)
Library	4 314	4 038	276	4 119	4 295	(176)	4 743	4 567	176
Vehicle Testing Station	2 194	2 277	(84)	2 303	2 409	(106)	2 418	2 564	(147)
Protection Services	-	1 707	(1 707)	-	1 766	(1 766)	-	1 812	(1 812)
Environmental Services	-	293	(293)	-	315	(315)	-	335	(335)
Beaches & Public Amenities	4 496	4 647	(152)	4 542	4 931	(389)	4 802	5 231	(430)
Parks and Sports Facilities	20	3 693	(3 674)	21	3 897	(3 876)	22	5 370	(5 348)
Cemetery	52	613	(561)	55	653	(599)	57	696	(639)
Buildings and Commonage	100	3 207	(3 107)	105	4 875	(4 770)	110	5 187	(5 077)
Public Services	-	935	(935)	-	946	(946)	-	1 001	(1 001)
Housing	2 300	3 751	(1 451)	20 450	21 975	(1 525)	37 120	38 731	(1 611)
Social Development	192	1 320	(1 128)	274	1 466	(1 193)	93	1 359	(1 266)
Administration	-	1 910	(1 910)	-	1 891	(1 891)	-	2 005	(2 005)
Traffic	1 405	5 173	(3 768)	1 495	5 456	(3 960)	1 556	5 784	(4 228)
<b>Electricity</b>	83 961	81 379	2 582	90 213	87 276	2 938	96 935	93 675	3 260
Electricity	83 961	81 379	2 582	90 213	87 276	2 938	96 935	93 675	3 260
<b>Total (excluding Capital Transfers)</b>	215 431	230 122	(14 691)	246 693	273 031	(26 338)	279 643	305 931	(26 288)

As a rule of thumb, all trading services (water, electricity, refuse and sanitation) should be cost reflective, meaning that sufficient revenue is raised to cover all the costs associated with the provision of the service. All services are currently operating at a surplus. Furthermore, it is expected that all services, with the exception electricity, will show a steady improvement in profitability over the MTREF.

Trading Services	2013/2014			2014/2015			2015/2016			2016/2017			2017/2018		
	Revenue	Profit	Profit %	Revenue	Profit	Profit %	Revenue	Profit	Profit %	Revenue	Profit	Profit %	Revenue	Profit	Profit %
Electricity	71 612	9 669	14%	80 017	8 636	11%	83 961	2 582	3%	90 213	2 938	3%	96 935	3 260	3%
Water	17 163	4 981	29%	20 422	7 384	36%	21 085	8 838	42%	22 666	9 792	43%	24 366	10 828	44%
Sewerage & Sanitation	7 656	744	10%	9 277	2 076	22%	9 569	2 680	28%	10 283	2 995	29%	11 052	3 340	30%
Solid Waste	10 773	(1 179)	-11%	13 316	299	2%	14 556	1 976	14%	15 283	2 104	14%	16 047	2 254	14%

Electricity is historically the largest “profit making” service and for many years assisted municipalities to ensure that budgets are funded. However, with significant increases in the cost of bulk electricity (provided by Eskom) and the inability of the municipality to pass these cost increases down to the Cape Agulhas consumer, the profitability of the electricity service is currently under threat. Already we are projecting a decline in profitability from 14% in 2013/2014 to as little as 3% in 2017/2018. In monetary value, this surplus will decline from R 9.669 million in 2013/2014 to a total projected profit for **the entire MTREF** of R 8.780 million (total profit for period 2015/2016 to 2017/2018). Compared to 2013/2014, this decline translates into lost surpluses of approximately R 20 million over the MTREF.

As mentioned, the decline in profitability can mainly be attributed to the fact that increases in service charges does not keep track with the increase in the cost of bulk electricity from Eskom. This is clearly illustrated in the decline in the gross profit percentage for electricity:



With the cost of bulk purchases largely beyond the control of the municipality, and the constraints with regards to excessive consumer tariff increases, the municipality should investigate the possibility of cutting back on other expenditure to ensure that the service remain profitable for the foreseeable future.

Other than the trading services, the municipality should also ensure that departments with the ability to generate its own revenue are cost reflective as far possible.

With specific reference to the traffic department which is currently operating at a deficit of approximately **R 4 million per year** – this department has the ability to collect fines and should be able to generate sufficient cash to support itself. Currently however, this department is financed by the consumer of services and ratepayers in the community.

## FINANCIAL VIABILITY

Financial viability and sustainability is one of the major cornerstones that needs to remain intact to ensure that municipalities follow through on their constitutional obligation to deliver high quality basic services to the citizens of South Africa.

From the perspective of a municipality, the focus point of any sustainability and viability analysis revolves firmly around the municipality's ability to implement policies that contributes to the preservation of cash resources over the long term.

The viability ratios to be utilised are based on the model jointly developed by Swartland Municipality and the Western Cape Provincial Treasury and assesses 10 key ratios that is considered the most important indicators when assessing the long term viability of the municipality. A weighting is attached to each indicator that will eventually provide the municipality with a viability score out of 100. The municipality should always strive for the maximum score of 100. Any score below 100 will be indicative of "sustainability cracks" that could eventually negatively impact on service delivery in the municipal area.

The 10 indicators, along with the proposed benchmark and weight are included in the following table:

ITEM	Benchmark	Viability Weight	Standard 1	Score 1	Standard 2	Score 2	Standard 3	Score 3	Standard 4	Score 4	Standard 5	Score 5
Asset Test Ratio	200%	10	200%	10	150%	8	100%	5	50%	2	0%	0
Payment Level (Excluding write-off of bad debts)	> 95%	15	95%	15	90%	11	85%	6	80%	3	75%	0
Cash Generated from Operations as % of Revenue	> 20%	8	20%	8	15%	6	10%	4	5%	2	0%	0
Purchase of PPE as % of Cash Generated	< 100%	8	100%	8	110%	6	120%	4	135%	2	150%	0
Cost Coverage (Excluding Unspent Grants)	4	15	4	15	4	10	3	5	2	2	1	0
Debtors Turnover (days) (Before impairment)	< 45 days	2	75	2	90	1	110	0	130	0	150	0
Longterm debt as % of Revenue	< 40%	5	40%	5	50%	4	75%	3	95%	2	100%	0
Debt servicing cost to Revenue	< 5%	8	5%	8	7.50%	6	10%	4	12.50%	2	15%	0
Short-term debt as % of Cash	< 100%	4	50%	4	70%	3	80%	2	100%	1	125%	0
Cash Funded Budget over MTREF	> R0	25	Yes	25	No	0	0	0	0	0	0	0

The 10 indicators provide the municipality with an assessment of the following major areas:

- Revenue Management
- Expenditure Management
- Debtor and Creditor Management
- Cash Management



- Asset Management
- Funding and Reserve Strategy

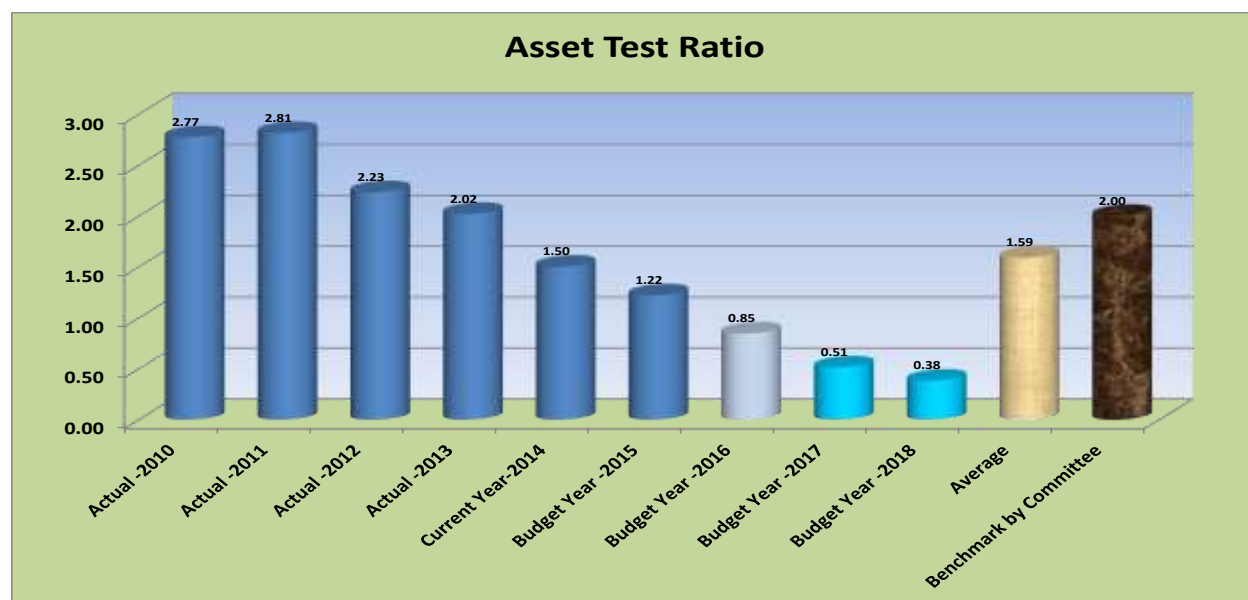
All the indicators will be discussed below.

#### 1.4.1.1 Asset Test Ratio

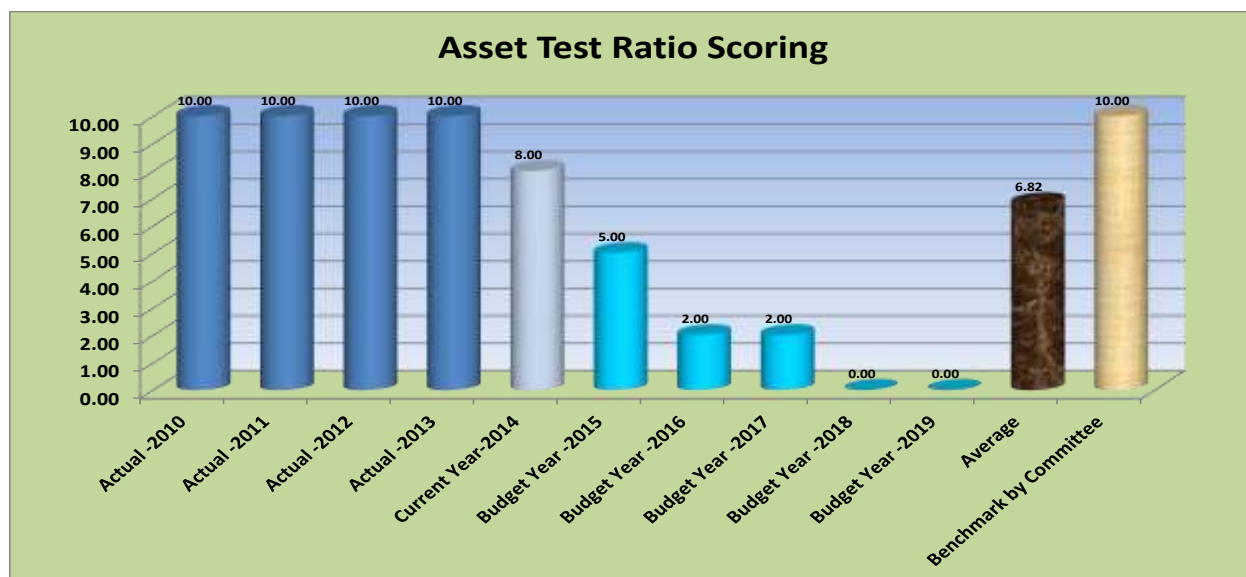
The asset test ratio provides with an indication of the municipality's ability to settle commitments if and when they become due. It is calculated as follows ratio between current assets (excluding inventory) and current liabilities:

A ratio of 2:1 is considered to be appropriate.

This ratio has already slipped below the acceptable level of 2:1 during 2013/2014 and this downward trend is expected to continue over the MTREF. It should be noted that this downward trend is in line with the decline in cash resources identified previously in this report.

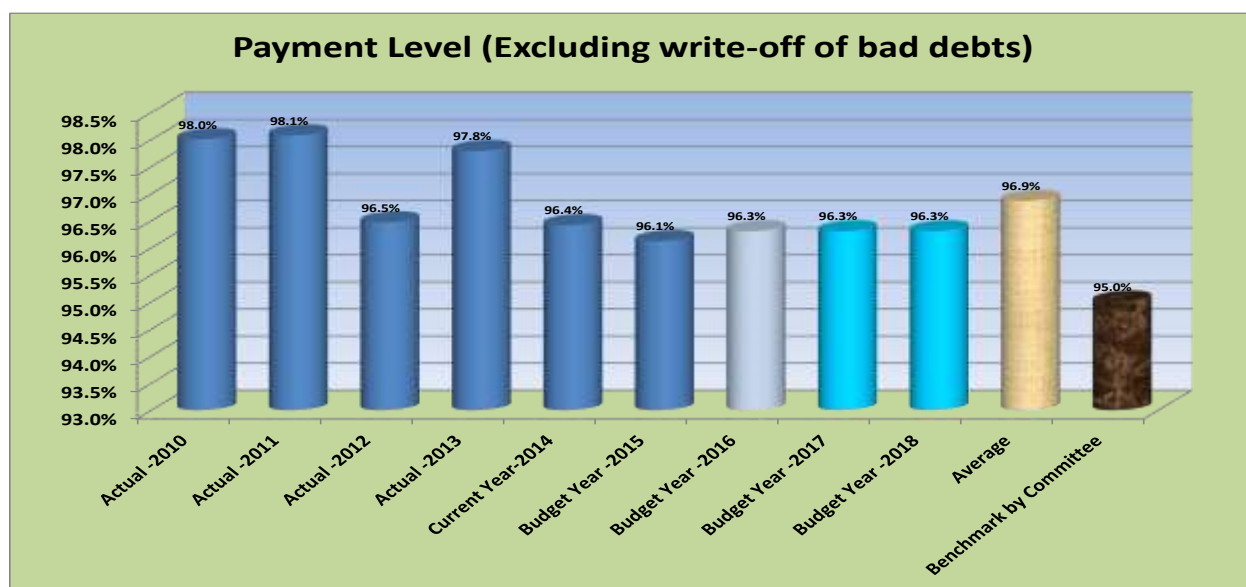


This downward trend provides us with a strong indication that the long term viability of the municipality is being compromised by the proposed expenditure program. From a viability scoring out of 10 for this indicator, the following is allocated for this indicator:

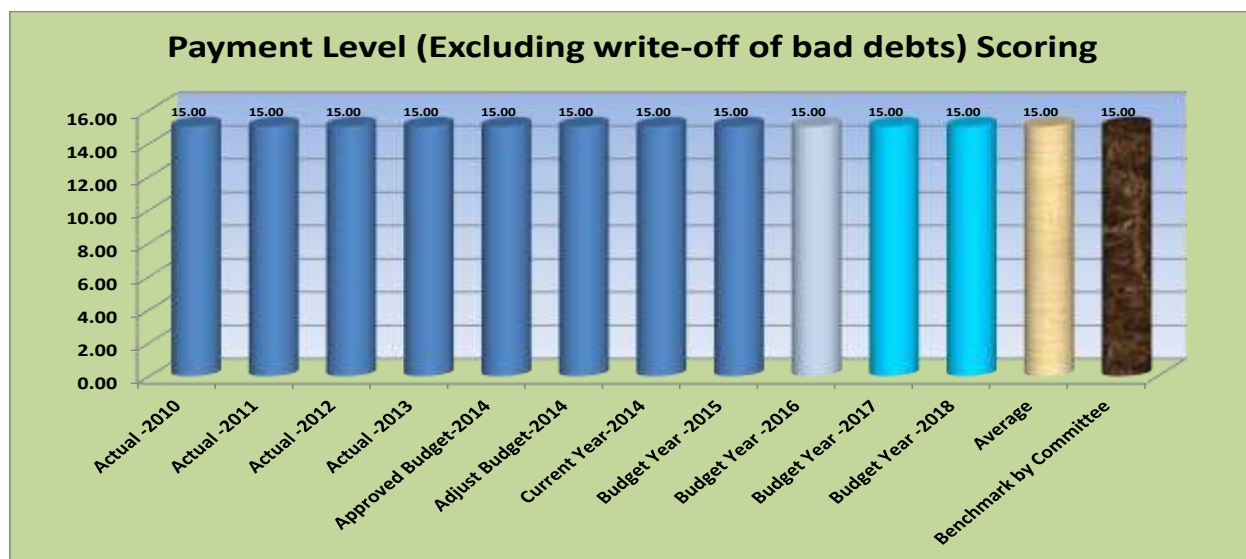


#### 1.4.1.2 Payment Level

Historically, the municipality has always been able to apply strict measures when it comes to revenue collection and this trend is set to continue. A revenue collection rate in excess of 95% is considered to be exceptional in the current economic environment.



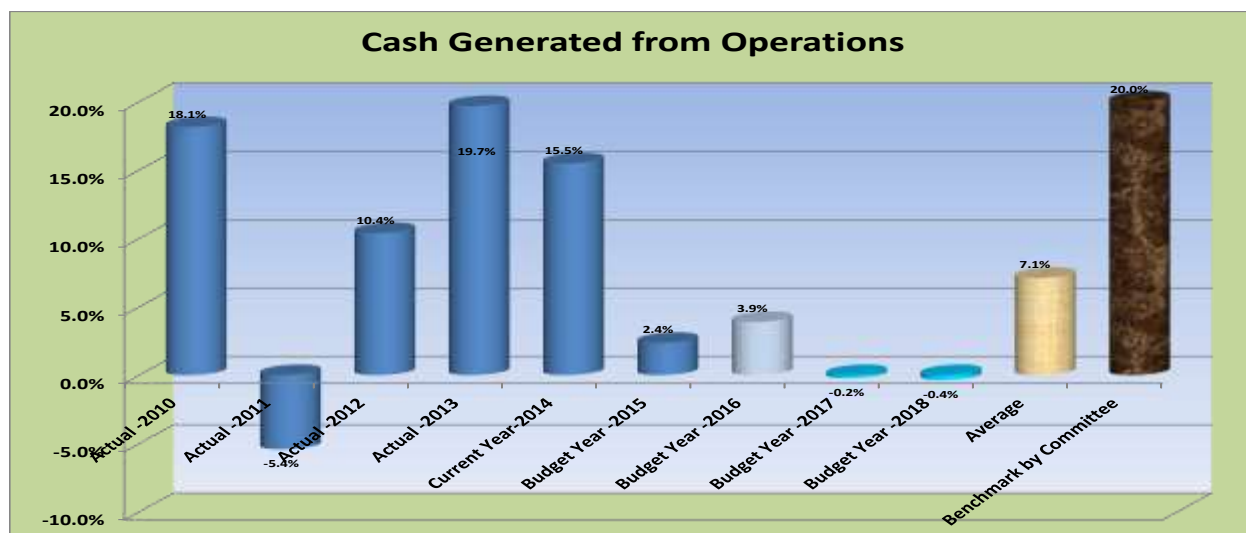
A full score of 15 is allocated for this indicator in all periods under review.



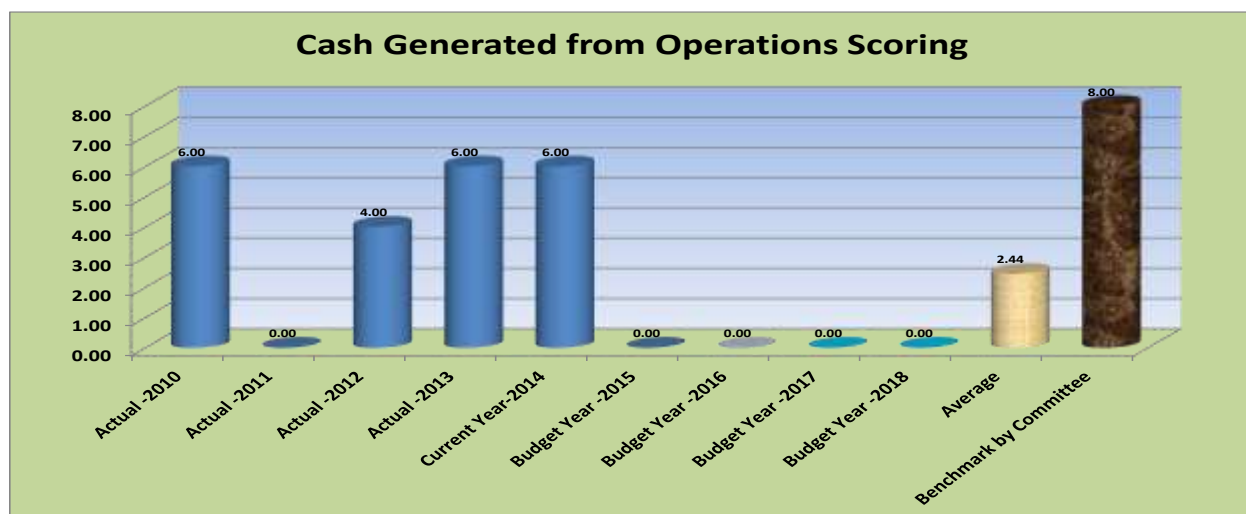
#### 1.4.1.3 Cash Generated from Operations as % of Revenue

This indicator provides the municipality with a measure of the municipality's ability to translate the operating budget into cash. The downward trend as identified in the graph below is an indication of the inability of the municipality to pass the increases in major cost drivers to the consumer/rate payer in the form of service charges and taxes. The municipality should explore relevant areas where non-essential expenditure can be reduced in order to improve this indicator. Any improvement in this indicator will significantly contribute to the availability of cash resources for capital purposes. A ratio of 20% (Cash generated by operations vs Revenue) is deemed to be appropriate.

It is quite evident that the municipality is not generating appropriate levels of cash that will enable the municipality to contribute to the capital program of the municipality. With collection rates already established to be very good, cost cutting measures is considered the only possible short term remedy to correct this indicator.



From a possible score of 8, the municipality will not score a single point over the MTREF.

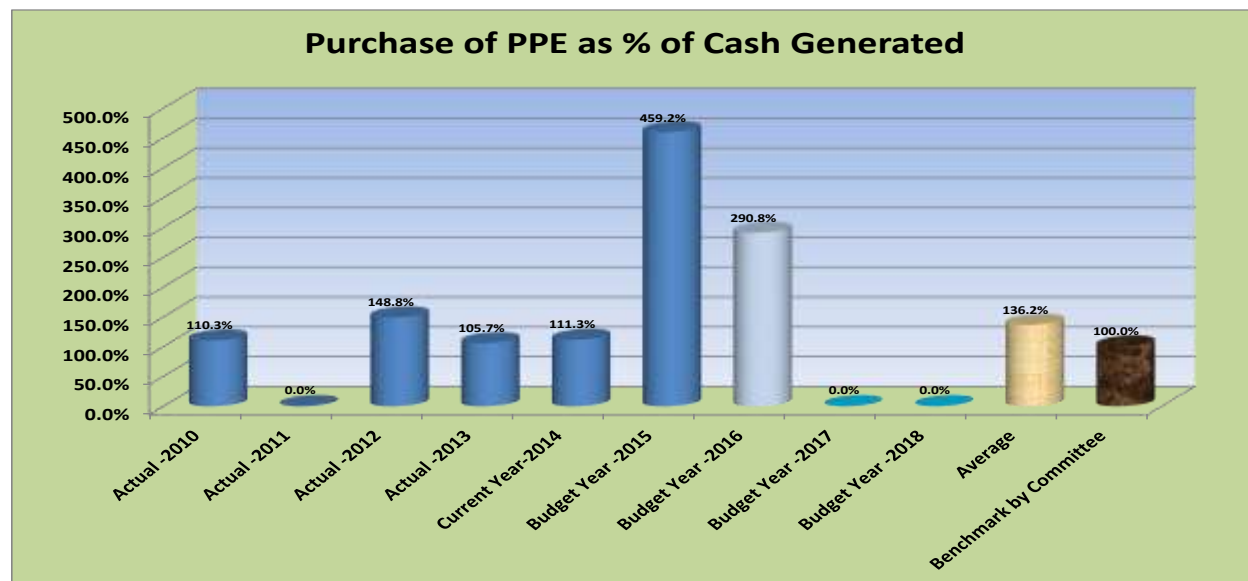


#### 1.4.1.4 Purchase of PPE as % of Cash Generated

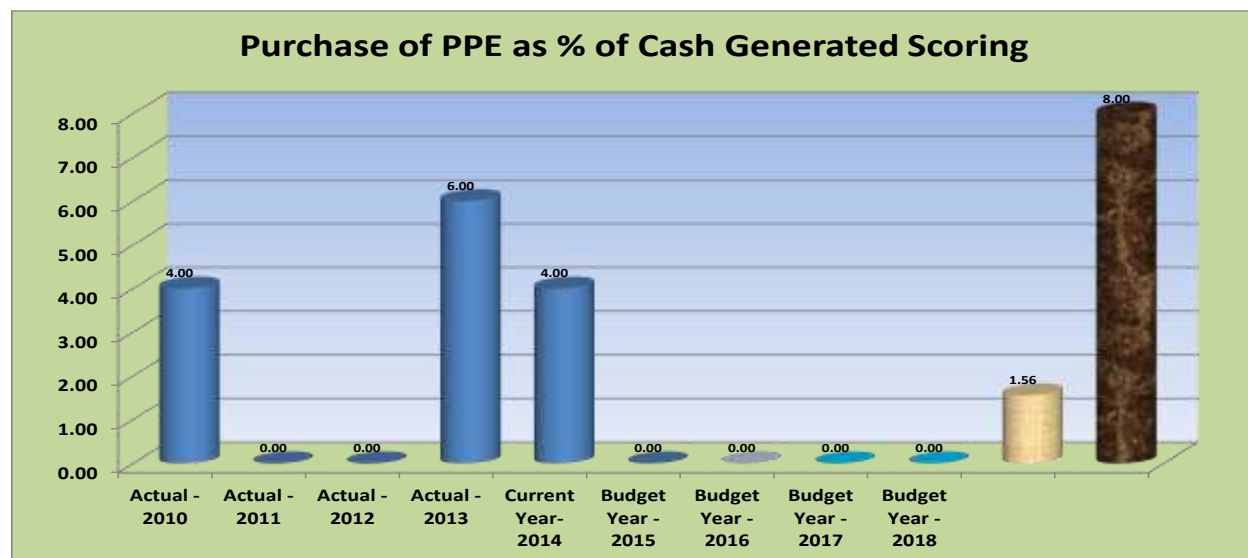
This indicator measures the ability of the municipality to finance the capital program from cash generated in the same financial period. Any indicator above 100% is indicative of a shortfall in cash which increases the need to utilise accumulated cash resources from prior years. Alternatively in order to preserve cash resources, the municipality will need to raise external loans. An external loan is an excellent instrument to promote the principle of “user pays” (Interest and redemption charges are factored into the cost of providing the service. Thus, the user of the specific asset will pay for the asset over the period when benefits are derived from the asset). It is also very useful to fast track much needed infrastructure projects where the municipality is not in a position to finance a specific project from own resources. The municipality should however

be mindful of the affordability factor specifically relating to loans that will be discussed in more detail in section 1.4.1.7 and 1.4.1.8.

In recent years and as it is currently projected, the municipality's capital program is always in excess of cash generated by operations. In 2016/2017 and 2017/2018 it is projected that cash will be **consumed** by operations, thus not contributing anything to the capital program.

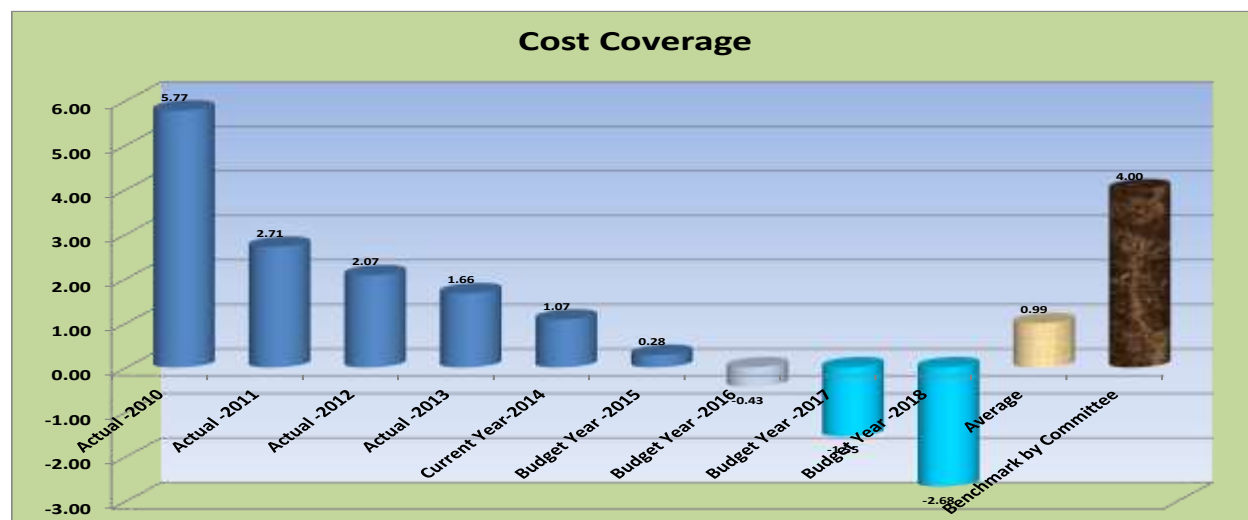


Similar to the indicator discussed in 1.4.1.3, the municipality will need to cut back on operating expenditure to ensure that this indicator becomes more favorable than the current possible score out of 8. This indicator does not contribute at all to the viability scoring over the MTREF.

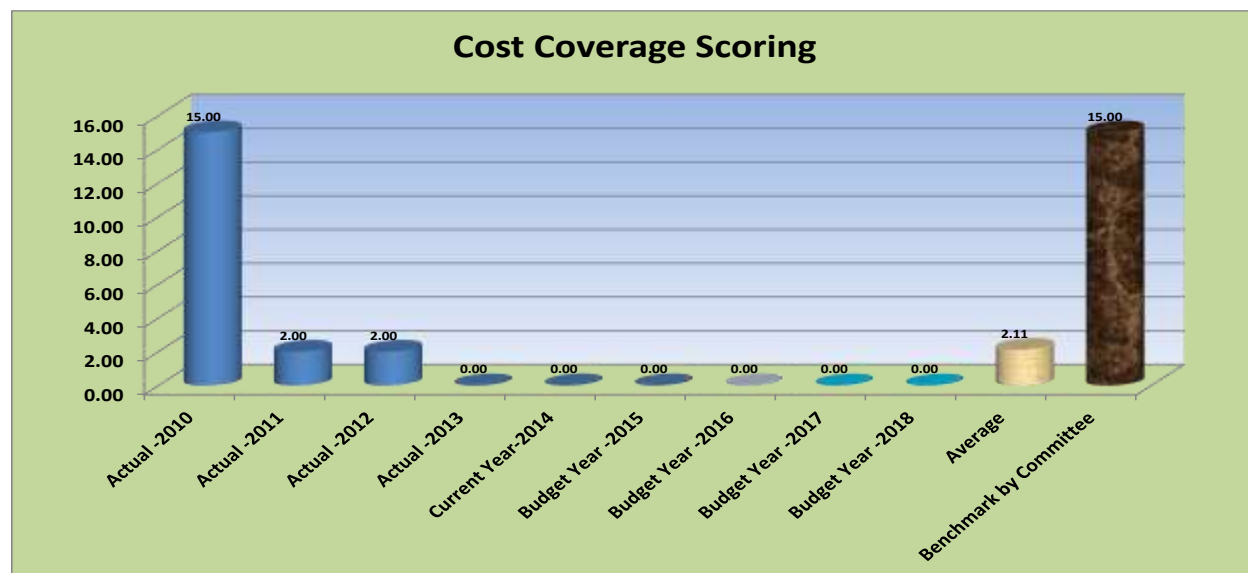


### 1.4.1.5 Cost Coverage

This ratio measures the amount of months' operating expenditure for which cash is available. This indicator will also provide a good indication of how the municipality will be able to react to financial "shock/setbacks" that is beyond the control of the municipality (for example - National Treasury delays the payments of grants or a sudden drop in payment levels from consumers/rate payers). The guidelines provided by National Treasury indicate that a level of 1 to 3 months is considered to be acceptable. A level of 4 months, which is in line with other municipalities that are considered to be financially sound, is considered to be an acceptable level.

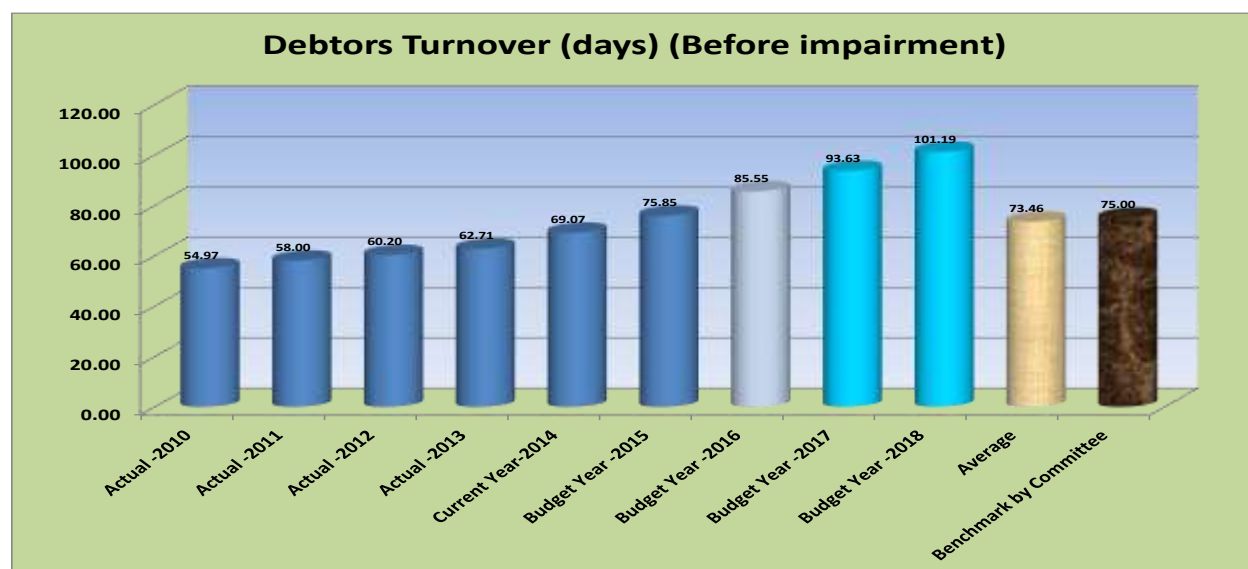


The downward trend is in line with the projected decline in cash resources and accordingly no contribution is made to the viability scoring over the MTREF

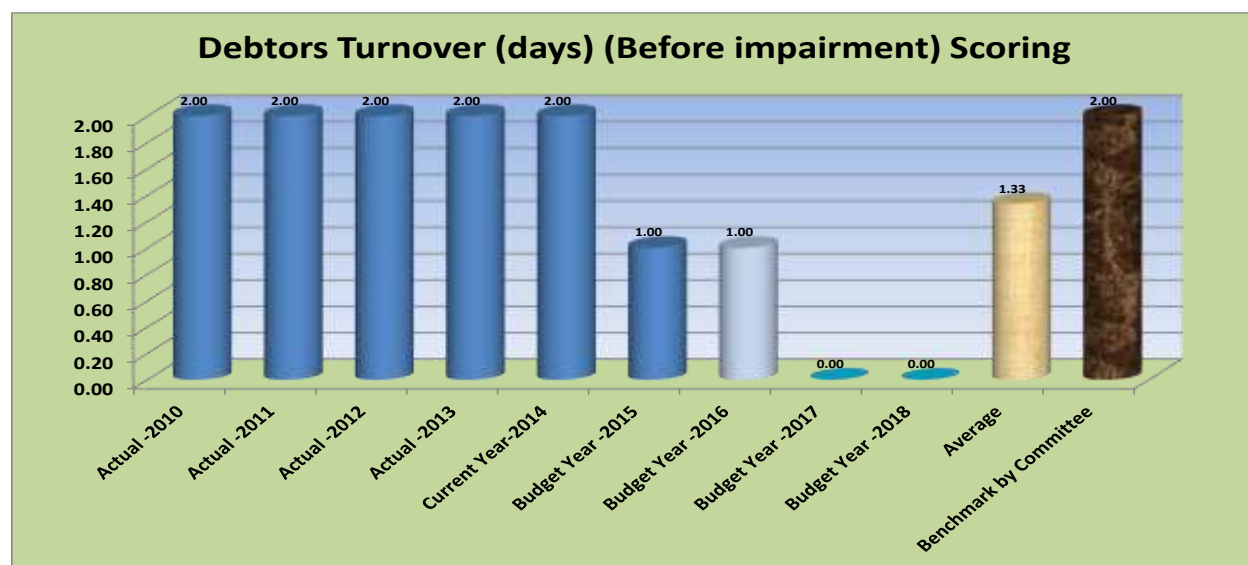


### 1.4.1.6 Debtor Turnover Days

In short, the indicator provides an indication of how many days it takes to convert billed revenue into cash. Thus, it is a good indicator of how credit control and debt collection measures are being implemented at the municipality. It also provides an indication of the municipality's write off policy. High standards are maintained when it comes to debt collection. The upward trend evident below can only be attributed to the municipality not writing off old irrecoverable debt. Not only does this result in a sharp increase in consumer debt, but it also contribute to significant interest charges to be levied in the statement of financial performance. Although considered to be revenue, very little interest revenue will translate into cash.



A total score of only 2 is available for this indicator.



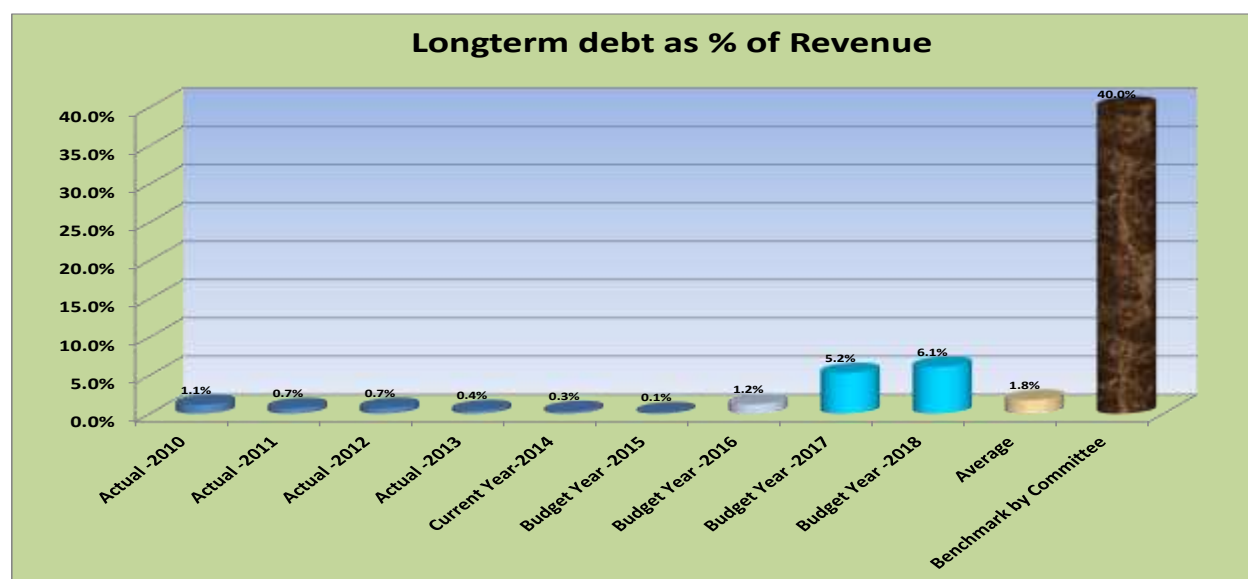


### 1.4.1.7 Long Term Debt as % of Revenue

External borrowing is an important part of the funding model of the municipality. Not only does it instantly provide the municipality with relatively inexpensive capital to fast-track service delivery and infrastructure backlogs, but it also ensures that the user of the infrastructure pay for the use over the lifetime of the asset. The current capital program provides for a significant portion of the program to be financed through external financing.

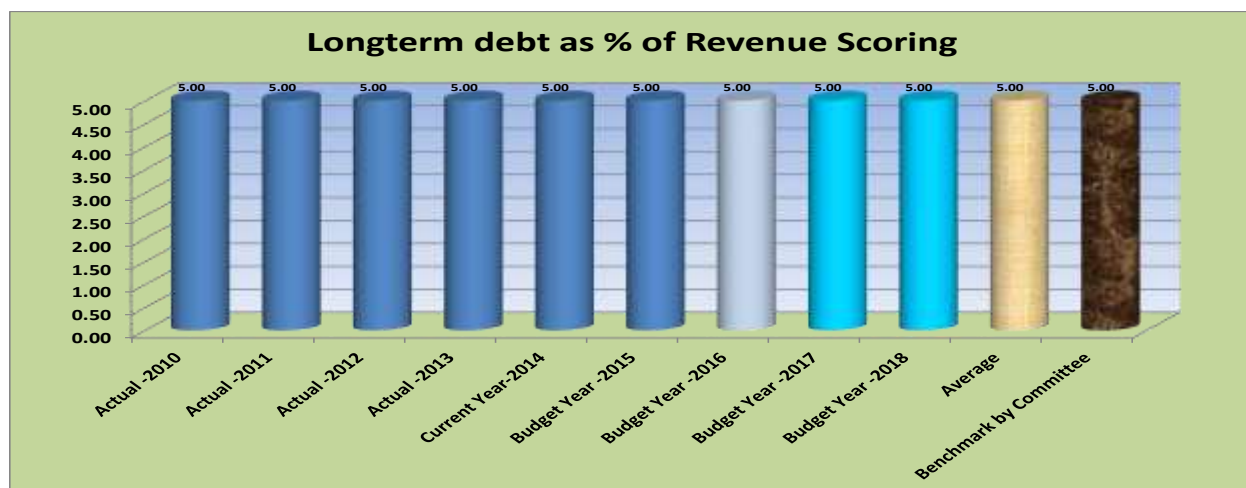
This indicator provides the municipality with a debt ceiling – the maximum level of external borrowing that the municipality will be able to accommodate in the in the statement of financial position before the “affordability” factor becomes a concern.

Currently the municipality is operating well below the debt ceiling of 40%. This is an area that the municipality should definitely explore as a funding option.



A full score is allocated to this indicator for all periods under review, although it should be noted that the municipality is not make full use of the benefits available in this area.

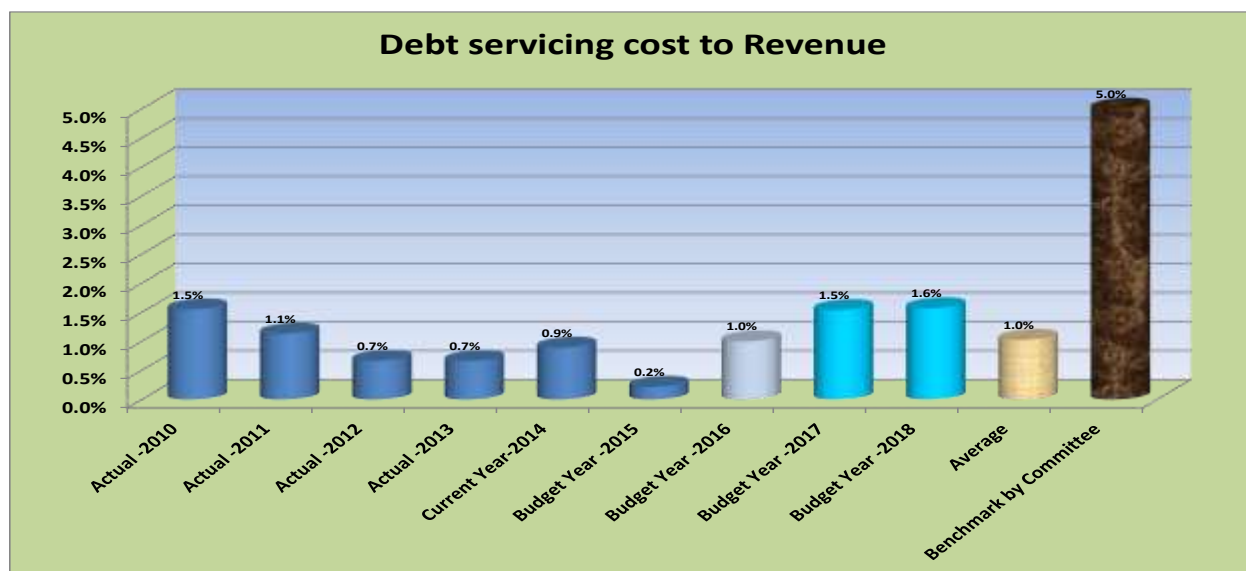




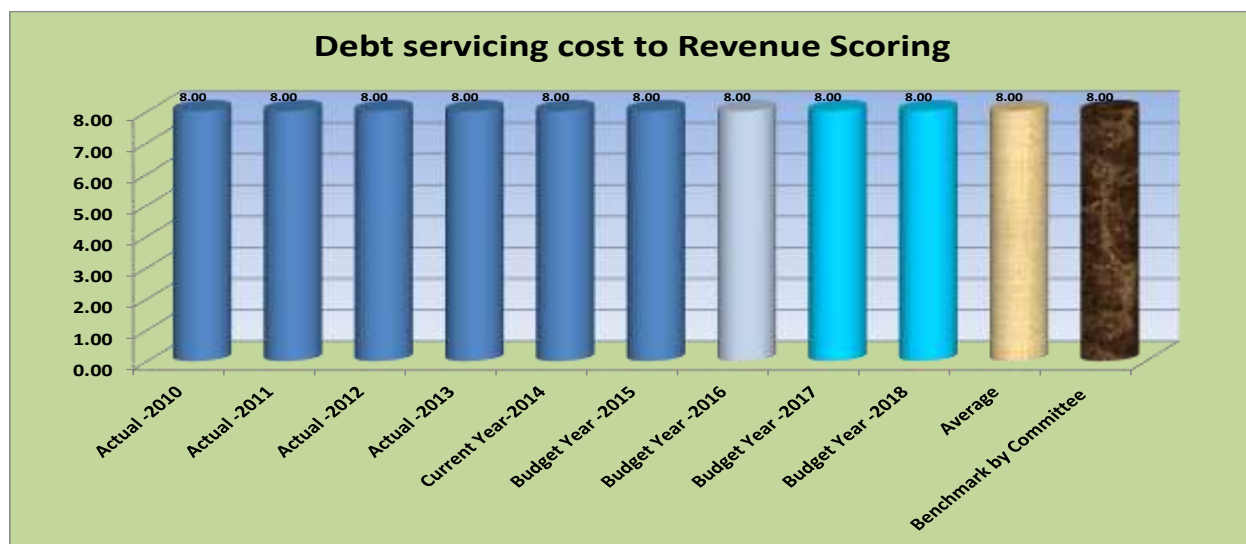
### 1.4.1.8 Debt Servicing Cost to Revenue

This indicator should be reviewed in conjunction with the debt ceiling as discussed in section 1.4.1.8 and is a measure of the ability of the operating budget to finance loan installments when they become due. A level of 5% is considered to be affordable.

Based on the fact that the municipality is operating well below the debt ceiling, the municipality is performing well on this indicator.

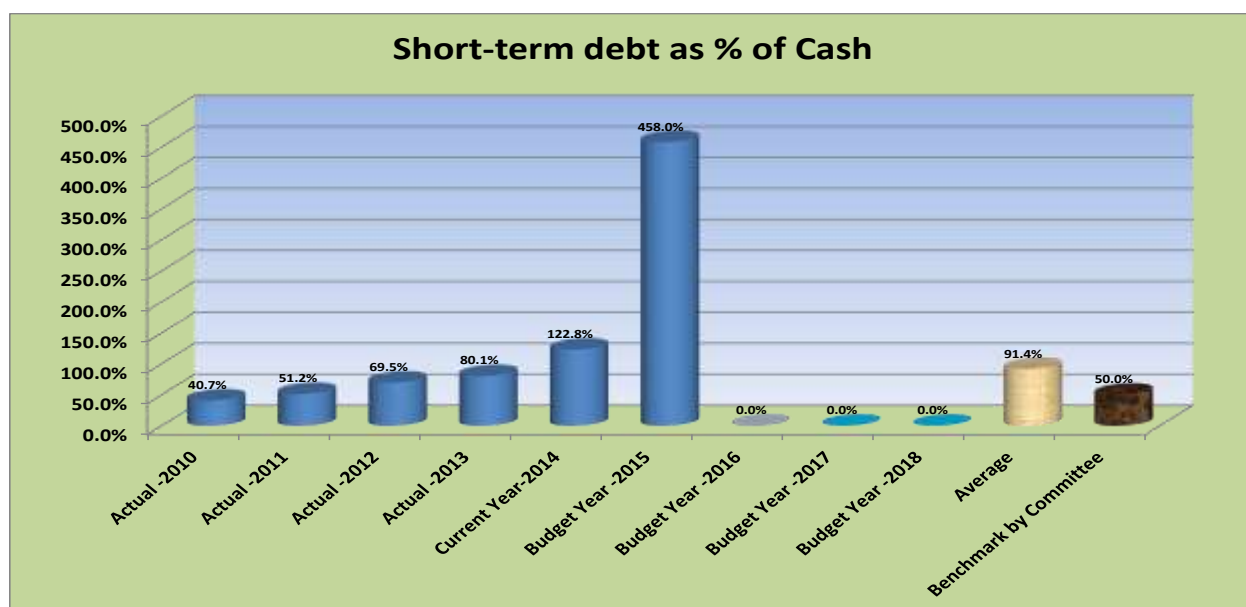


From a possible score of 8, the municipality will be allocated a full score in all periods under review.

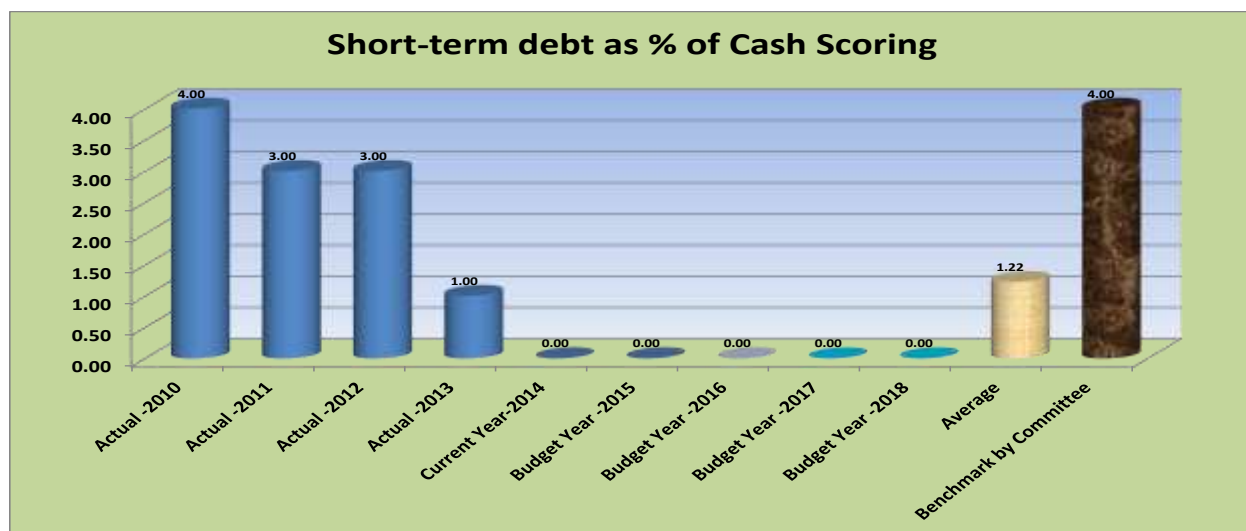


#### 1.4.1.9 Short Term Debt as % of Cash

This indicator provides a measure of the municipality's ability to settle short term liabilities when they become due and payable. The trend below is an indication that the municipality will not be able to pay liabilities when they become due over the MTREF. A level below 50% is considered to be acceptable.



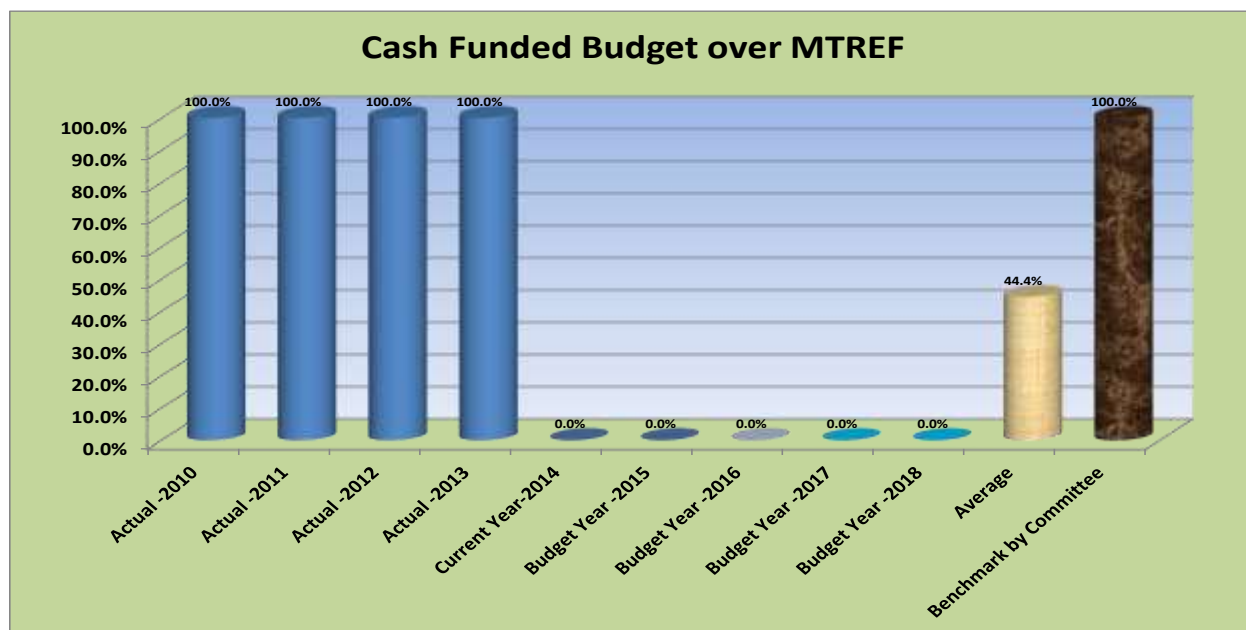
As cash resources decline and short term liabilities increase, the scoring allocated to this indicator will drop to zero.

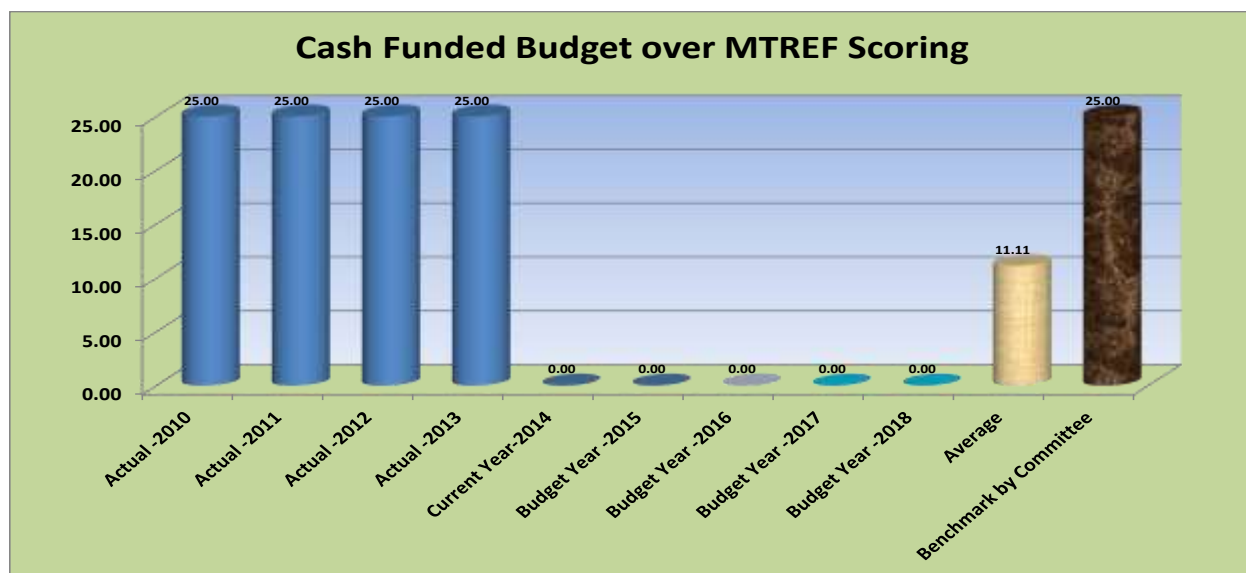


#### 1.4.1.10 Cash Funded Budget over the MTREF

A cash funded budget is arguably the most important indicator for a credible budget that is aligned to the funding requirement in MFMA Section 18 and for this reason the indicator carries the largest weighting in the financial viability scoring model.

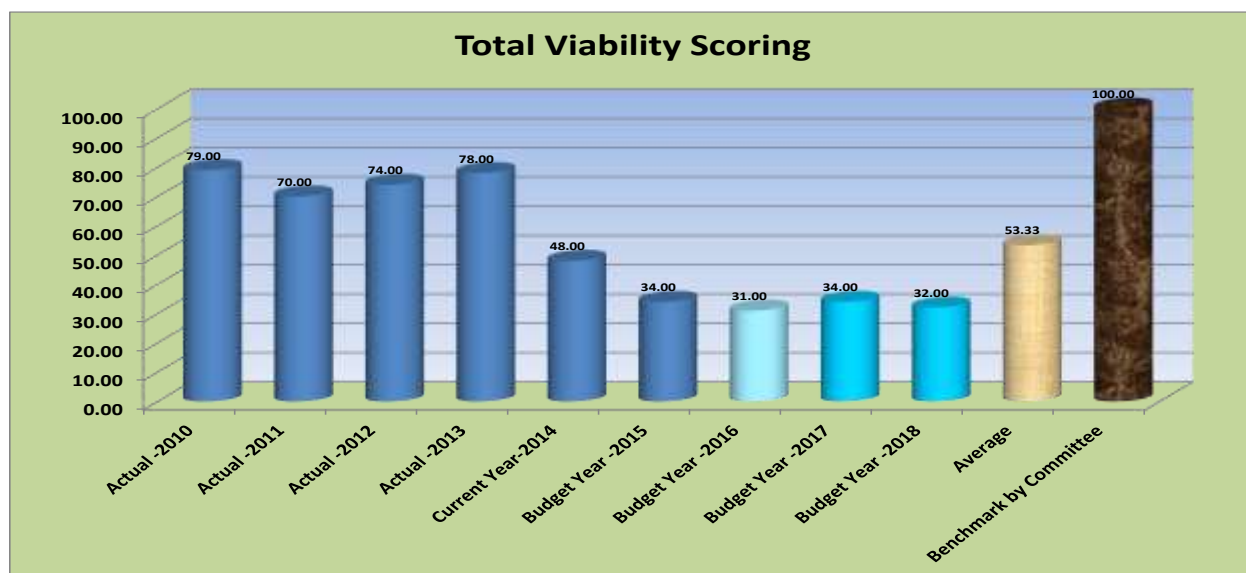
The entire MTREF will not be cash funded.





#### 1.4.1.11 Total Viability Scoring

Based on the outcome of the 10 indicators above, the financial viability and sustainability of Cape Agulhas Municipality is seriously under threat. Drastic measures should be implemented to address the matter. As a starting point, the municipality must curb the downward trend in cash resources, as this will significantly contribute to the long term sustainability of the municipality.



## 1.5 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

(1) "An annual budget may only be funded from –

- (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
- (b) Cash-backed accumulated funds from previous financial years' surpluses not committed for other purposes; and
- (c) Borrowed funds, but only for the capital budget referred to in section 17(2).

(2) Revenue projections in the budget must be realistic, taking into account –

- (a) projected revenue for the current year based on collection levels to date; and
- (b) actual revenue collected in previous years."

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

**Table 3 Summary of revenue classified by main revenue source**

Description  R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Outcome	Outcome	Outcome	Budget	Budget			
<b><u>Revenue By Source</u></b>								
Property rates	32 427	34 763	39 325	42 304	42 783	49 956	52 454	55 077
Property rates - penalties & collection	–	–	–	–	–	–	–	–
Service charges - electricity revenue	60 022	65 092	69 614	74 134	77 330	83 295	89 542	96 257
Service charges - water revenue	14 765	16 175	16 950	20 238	20 238	19 641	21 189	22 852
Service charges - sanitation revenue	5 434	6 336	7 534	8 446	8 446	6 680	7 353	8 073
Service charges - refuse revenue	8 664	9 534	10 495	12 912	12 912	10 821	11 488	12 182
Service charges - other	–	–	–	–	–	–	–	–
Rental of facilities and equipment	4 756	5 014	5 177	5 287	5 292	5 475	5 758	6 078
Interest earned - external investments	2 224	2 050	1889	1666	1741	1970	2 069	2 172
Interest earned - outstanding debtors	514	637	760	723	800	800	840	882
Dividends received	–	–	–	–	–	–	–	–
Fines	751	861	1400	572	1422	1436	1532	1598
Licences and permits	1012	1036	963	1223	1177	330	346	364
Agency services	1079	1095	1255	1306	1306	1309	1374	1443
Transfers recognised - operational	57 579	62 567	50 775	47 665	50 671	30 290	49 172	68 946
Other revenue	2 867	2 600	4 853	2 366	2 380	3 430	3 576	3 719
Gains on disposal of PPE	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>192 095</b>	<b>207 760</b>	<b>210 990</b>	<b>218 845</b>	<b>226 499</b>	<b>215 431</b>	<b>246 693</b>	<b>279 643</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

**Table 4 Summary of revenue classified by municipal vote**

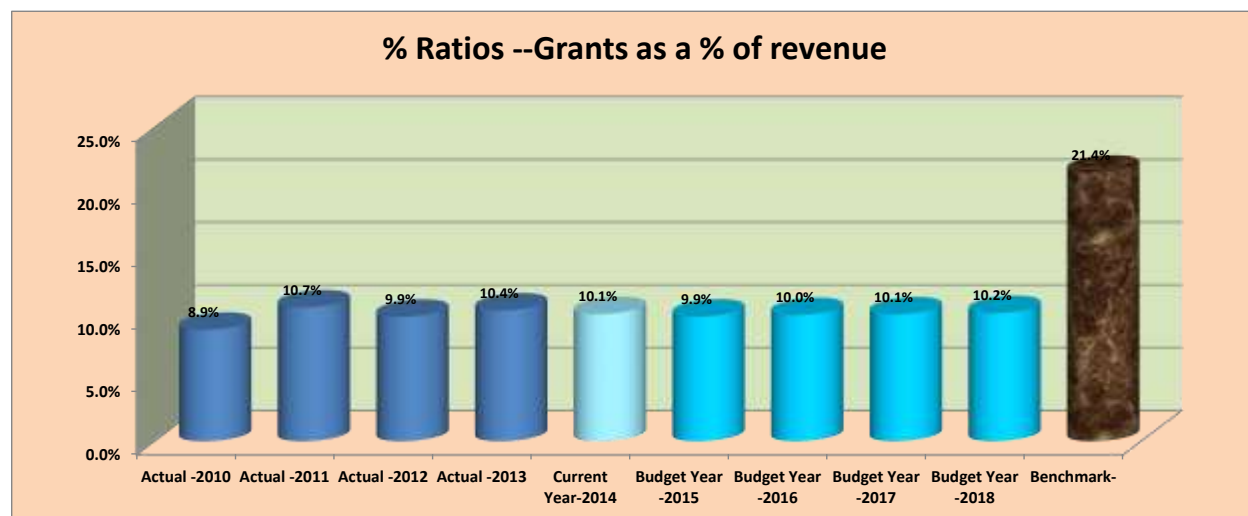
Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue by Vote</b>								
Vote 1 - Executive and Council	59 292	79 274	61 675	20 320	20 327	13 309	14 780	16 417
Vote 2 - Budget and Treasury Office	35 963	37 889	42 714	46 874	47 505	55 368	58 021	60 950
Vote 3 - Corporate Services	881	896	618	84	1 330	2 170	2 282	2 385
Vote 4 - Community and Social Services	3 955	4 975	6 295	24 826	29 005	15 291	33 898	51 045
Vote 5 - Sport and Recreation	3 932	3 992	4 254	4 624	4 729	-	-	-
Vote 6 - Public Safety	2 710	2 868	3 455	2 942	3 792	-	-	-
Vote 7 - Road Transport	3 083	3 261	212	85	99	-	-	-
Vote 8 - Electricity	60 539	65 680	71 612	76 821	80 017	85 961	92 213	98 935
Vote 9 - Water	14 986	16 392	17 163	20 422	20 422	-	-	-
Vote 10 - Waste Water Management	5 520	6 435	7 656	8 568	9 277	-	-	-
Vote 11 - Waste Management	8 981	9 806	10 773	13 316	13 316	-	-	-
Vote 12 - Environmental Protection	-	-	-	-	-	-	-	-
Vote 13 - Other	-	5	-	11 033	11 033	-	-	-
Vote 14 - Infrastructure	-	-	-	-	-	56 796	59 260	62 877
<b>Total Revenue by Vote</b>	<b>199 842</b>	<b>231 473</b>	<b>226 427</b>	<b>229 916</b>	<b>240 851</b>	<b>228 895</b>	<b>260 453</b>	<b>292 609</b>

Table 5 Percentage growth in revenue base by main revenue source

Description  R thousand	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
	Adjusted	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
	Budget							
<b>Revenue By Source</b>								
Property rates	42 783	18.9%	49 956	23.2%	52 454	21.3%	55 077	19.7%
Service charges - electricity revenue	77 330	34.1%	83 295	38.7%	89 542	36.3%	96 257	34.4%
Service charges - water revenue	20 238	8.9%	19 641	9.1%	21 189	8.6%	22 852	8.2%
Service charges - sanitation revenue	8 446	3.7%	6 680	3.1%	7 353	3.0%	8 073	2.9%
Service charges - refuse revenue	12 912	5.7%	10 821	5.0%	11 488	4.7%	12 182	4.4%
Rental of facilities and equipment	5 292	2.3%	5 475	2.5%	5 758	2.3%	6 078	2.2%
Interest earned - external investments	1741	0.8%	1970	0.9%	2 069	0.8%	2 172	0.8%
Interest earned - outstanding debtors	800	0.4%	800	0.4%	840	0.3%	882	0.3%
Fines	1422	0.6%	1436	0.7%	1532	0.6%	1598	0.6%
Licences and permits	1177	0.5%	330	0.2%	346	0.1%	364	0.1%
Agency services	1306	0.6%	1309	0.6%	1374	0.6%	1443	0.5%
Transfers recognised - operational	50 671	22.4%	30 290	14.1%	49 172	19.9%	68 946	24.7%
Other revenue	2 380	1.1%	3 430	16%	3 576	14%	3 719	13%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>226 499</b>	<b>100%</b>	<b>215 431</b>	<b>100%</b>	<b>246 693</b>	<b>100%</b>	<b>279 643</b>	<b>100%</b>
<b>Total Revenue from Rates and Service Charges</b>	<b>161 710</b>	<b>71.4%</b>	<b>170 392</b>	<b>79.1%</b>	<b>182 026</b>	<b>73.8%</b>	<b>194 442</b>	<b>69.5%</b>

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise between 65 and 80 percent of the total revenue mix.

The municipality remains highly dependent on internal revenue sources to fund the budget. This trend is set to continue over the MTREF, as the equitable share allocation as a percentage of total revenue is still well below the average benchmark of 21.4% in the Western Cape:



The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 2 Operating Transfers and Grant Receipts**

Description R thousand	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>EXPENDITURE:</b>					
<b><u>Operating expenditure of Transfers and Grants</u></b>					
<b>National Government:</b>	<b>24 620</b>	<b>22 857</b>	<b>23 601</b>	<b>24 428</b>	<b>27 093</b>
Local Government Equitable Share	19 386	19 386	20 679	22 195	23 939
Finance Management	1 175	1 175	1 230	1 475	1 550
Municipal Systems Improvement	146	649	150	207	1 033
Municipal Infrastructure (MIG)	793	527	542	551	571
EPWP Incentive	1 120	1 120	1 000	–	–
INEG	2 000	–	–	–	–
<b>Provincial Government:</b>	<b>23 046</b>	<b>27 814</b>	<b>6 689</b>	<b>24 744</b>	<b>41 853</b>
Housing	18 590	22 466	2 300	20 450	37 120
Community Development Workers	70	140	54	57	60
Subsidy Main Roads	60	60	73	–	–
Subsidy Libraries	4 157	4 157	4 250	4 052	4 673
Housing Consumer	–	–	–	–	–
Thusong Centre	169	181	12	185	–
Provincial Financial Grant	–	810	–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>	<b>47 665</b>	<b>50 671</b>	<b>30 290</b>	<b>49 172</b>	<b>68 946</b>

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper limit of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. A recovery rate of approximately 96.3% is factored into the MTREF period.

The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level

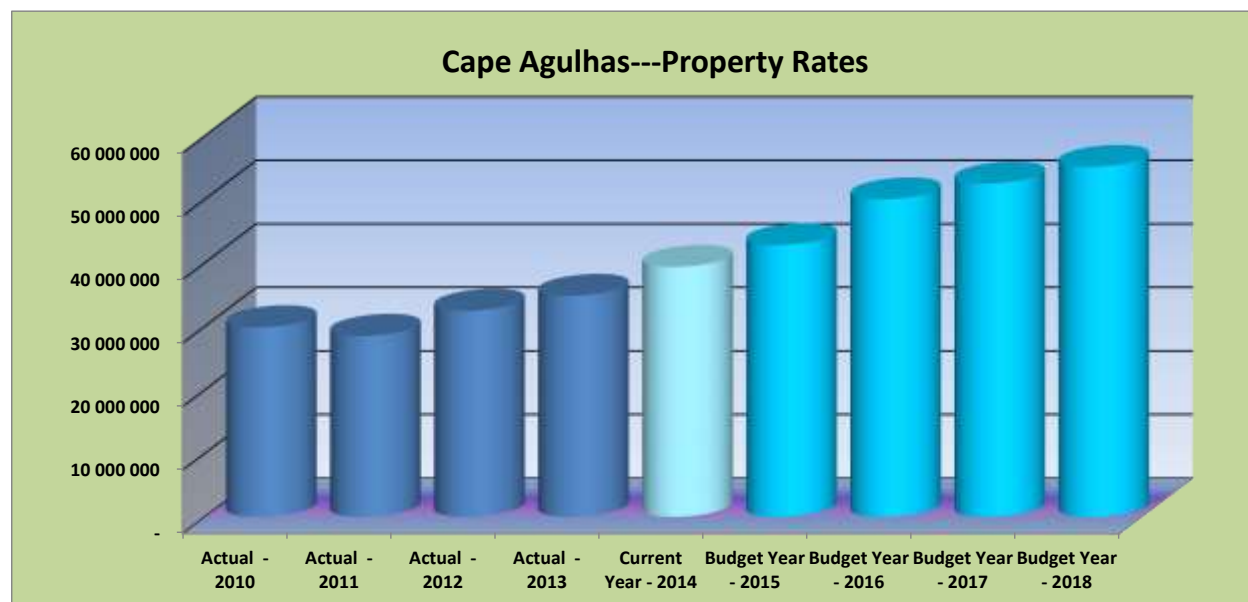


reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

### 1.5.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

An increase of 15 per cent is proposed for 2015/16. This increase is above the upper boundary of the South African Reserve Bank's inflation target, but is required to curb the downward trend in cash resources as identified earlier in the report.



### 1.5.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

One of the main challenges facing the municipality is water losses. The municipality is continuously exploring ways to limit its water losses to an acceptable level.

A tariff increase of 9.0 to 10 per cent for residential consumers and 10.0 to 12.0 per cent for businesses from 1 July 2015 for water is proposed. This increase is above the 6 per cent upper boundary of the South African Reserve Bank's inflation target. However, this increase is

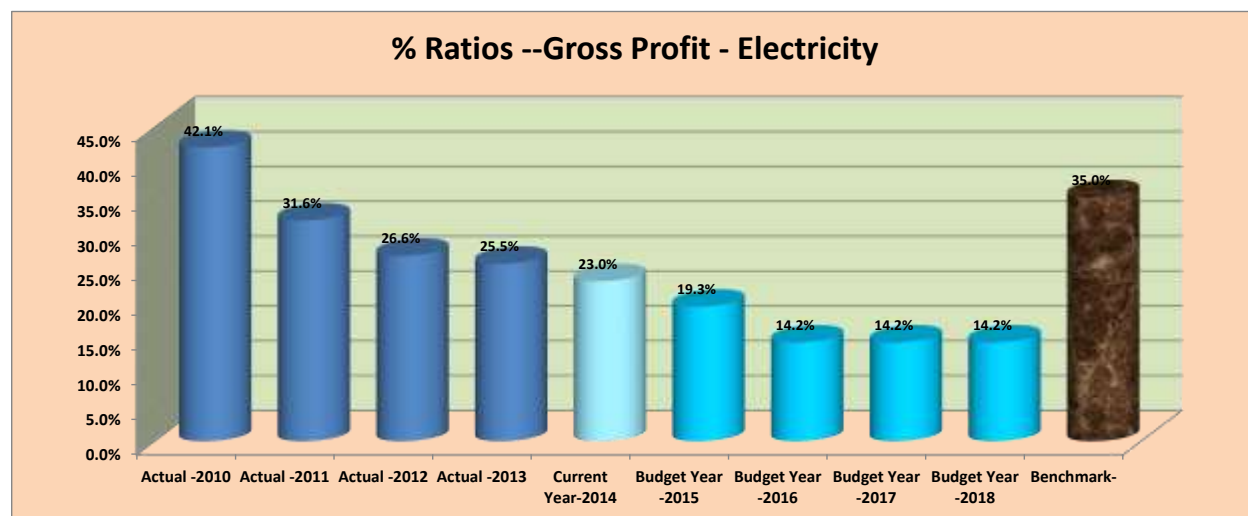
required due to the fact that the service is currently being operated at a loss if we take into account the capital requirements to be financed from own capital.

Full details regarding the tariffs are included as Appendix B to this document.

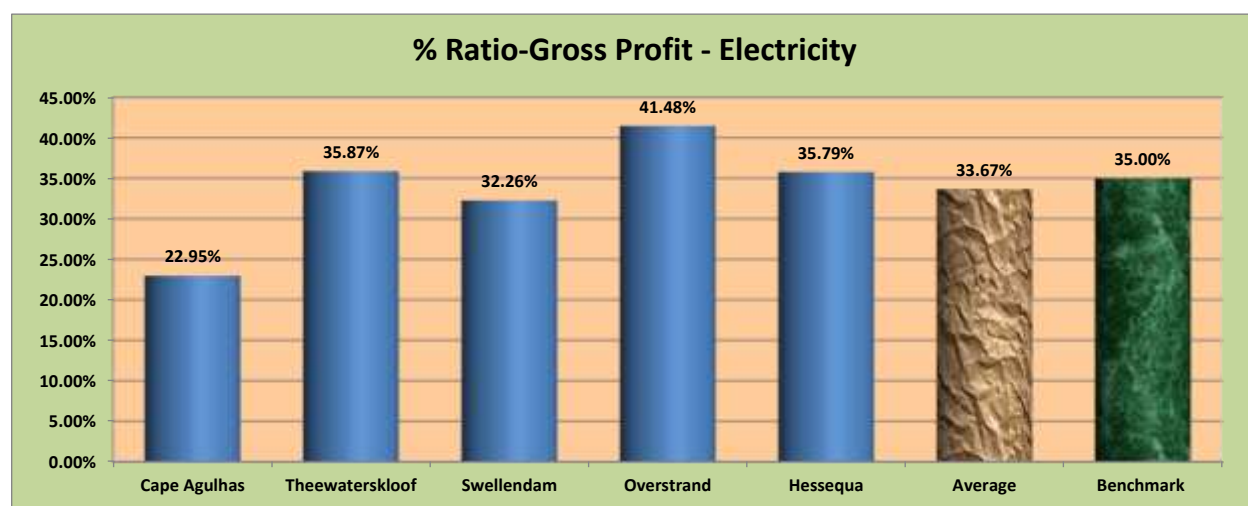
### 1.5.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 14.24 per cent (nominal) increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

From the graph below it is clearly evident that the gross profit margin has been placed under pressure due to the inability of the municipality to pass all bulk tariff increases on to the consumer over recent years.



Compared to a selection of other municipalities in the Western Cape, the municipality has already been operating at a lower gross profit percentage in 2013/2014 as indicated below:



According to NERSA guidelines, the municipality is allowed a 12.69 percent increase in electricity tariffs to be levied for consumers.

#### **1.5.4 Sanitation and Impact of Tariff Increases**

A tariff increase of 9.39 per cent for residential sanitation and 15.15 per cent for businesses sanitation from 1 July 2015 is proposed. This increase was required to ensure that the tariff charged is more cost reflective. This increase is above the 6 per cent upper boundary of the South African Reserve Bank's inflation target. However, this increase is required due to the fact that the service is currently being operated at a loss if we take into account the capital requirements to be financed from internal sources.

#### **1.5.5 Waste Removal and Impact of Tariff Increases**

A 10.66 to 10.81 percent increase in the waste removal tariff is proposed from 1 July 2015. This increase is above the 6 per cent upper boundary of the South African Reserve Bank's inflation target. However, this increase is required due to the fact that the service is currently being operated at a loss if we take into account the capital requirements and other commitments to be financed from own funds. Commitments include the rehabilitation of landfill sites, which is one of the major liabilities of the municipality. This liability is currently not fully funded.

#### **1.5.6 Overall impact of tariff increases on households**

Information on the impact on households can be illustrated below.

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Rand/cent</b>									
<b><u>Monthly Account for Household - 'Middle Income Range'</u></b>									
<b>Rates and services charges:</b>									
Property rates	449.19	480.18	489.75	543.99	543.99				
Electricity: Basic levy	177.20	186.00	189.72	201.10	201.10				
Electricity: Consumption	910.00	1 010.37	1 107.22	1 200.46	1 200.46				
Water: Basic levy	71.50	76.51	81.87	89.64	89.64				
Water: Consumption	99.56	106.53	114.08	124.92	124.92				
Sanitation	63.51	69.23	77.54	85.14	85.14				
Refuse removal	73.44	78.14	83.61	93.64	93.64				
<b>sub-total</b>	<b>1 844.40</b>	<b>2 006.96</b>	<b>2 143.79</b>	<b>2 338.89</b>	<b>2 338.89</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
VAT on Services	195.33	213.75	231.57	251.29	251.29				
<b>Total large household bill:</b>	<b>2 039.73</b>	<b>2 220.71</b>	<b>2 375.36</b>	<b>2 590.18</b>	<b>2 590.18</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase/-decrease</b>		<b>8.9%</b>	<b>7.0%</b>	<b>9.0%</b>	<b>-</b>		<b>(100.0%)</b>	<b>-</b>	<b>-</b>
<b><u>Monthly Account for Household - 'Affordable Range'</u></b>									
<b>Rates and services charges:</b>									
Property rates	12.50	13.36	194.38	210.90	210.90				
Electricity: Basic levy	88.60	93.00	94.86	100.55	100.55				
Electricity: Consumption	379.54	421.40	454.67	492.44	492.44				
Water: Basic levy	71.50	76.51	81.87	89.64	89.64				
Water: Consumption	78.41	83.90	89.85	98.38	98.38				
Sanitation	63.51	69.23	77.54	85.14	85.14				
Refuse removal	73.44	78.14	83.61	93.64	93.64				
<b>sub-total</b>	<b>767.50</b>	<b>835.54</b>	<b>1 076.78</b>	<b>1 170.69</b>	<b>1 170.69</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
VAT on Services	105.70	115.10	123.54	134.37	134.37				
<b>Total small household bill:</b>	<b>873.20</b>	<b>950.64</b>	<b>1 200.32</b>	<b>1 305.06</b>	<b>1 305.06</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase/-decrease</b>		<b>8.9%</b>	<b>26.3%</b>	<b>8.7%</b>	<b>-</b>		<b>(100.0%)</b>	<b>-</b>	<b>-</b>
<b><u>Monthly Account for Household - 'Indigent Household receiving free basic services'</u></b>									
<b>Rates and services charges:</b>									
Property rates	8.45	9.04	9.22	17.84	17.84				
Electricity: Basic levy	-	-	-	-	-				
Electricity: Consumption	-	-	-	-	-				
Water: Basic levy	-	-	16.83	17.83	17.83				
Water: Consumption	-	-	-	-	-				
Sanitation	-	-	15.51	17.03	17.03				
Refuse removal	-	-	16.72	18.73	18.73				
<b>sub-total</b>	<b>8.45</b>	<b>9.04</b>	<b>58.28</b>	<b>71.43</b>	<b>71.43</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
VAT on Services	-	-	6.87	7.50	7.50				
<b>Total small household bill:</b>	<b>8.45</b>	<b>9.04</b>	<b>65.15</b>	<b>78.93</b>	<b>78.93</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase/-decrease</b>		<b>7.0%</b>	<b>620.7%</b>	<b>21.2%</b>	<b>-</b>		<b>(100.0%)</b>	<b>-</b>	<b>-</b>

## 1.6 Operating Expenditure Framework

Building on cost containment guidelines approved by Cabinet in October 2013, government at all levels will need to identify opportunities to increase efficiency and reduce waste. At a national level, the 2015 budget will pay particular attention to reducing line items that are not critical to service delivery to reinforce cost containment.

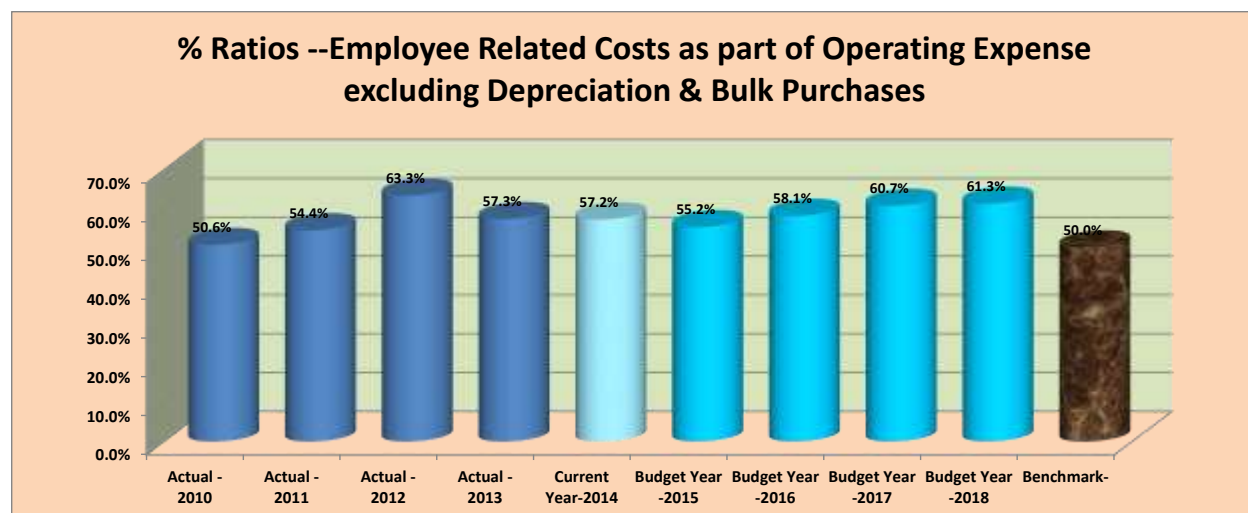
Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation. With the implementation of cost containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential and non-priority activities.

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

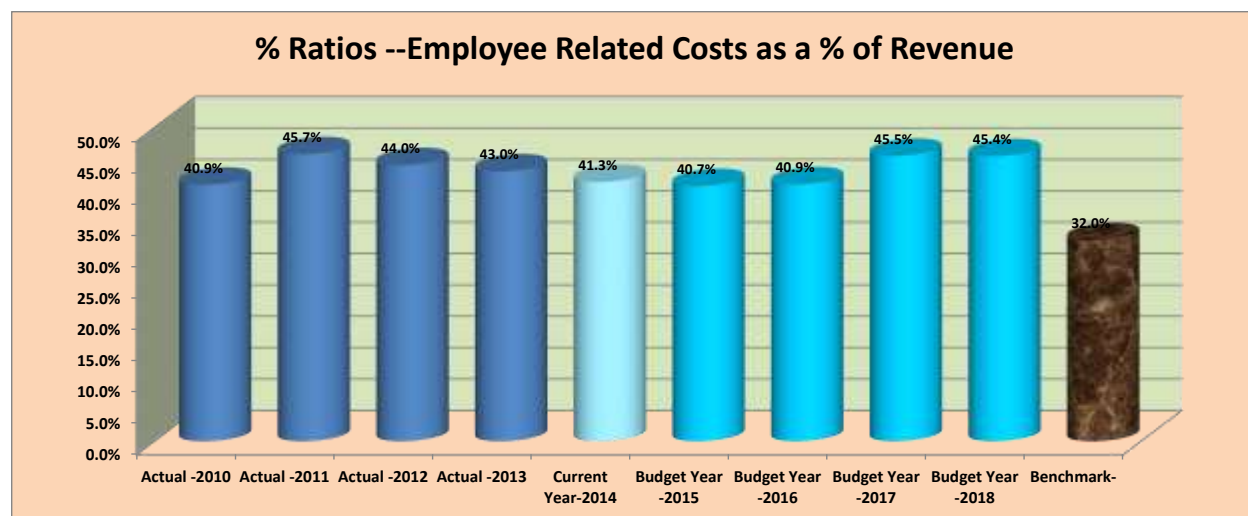
**Table 3 Summary of operating expenditure by standard classification item**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Expenditure By Type</b>								
Employee related costs	65 699	69 692	73 679	78 871	79 372	84 256	99 910	106 564
Remuneration of councillors	2 907	3 077	3 288	3 511	3 511	3 760	3 968	4 188
Debt impairment	1 004	2 179	2 969	1 095	3 160	4 390	4 525	4 782
Depreciation & asset impairment	6 096	7 437	10 729	6 945	9 037	8 289	8 660	9 046
Finance charges	351	665	1 142	1 242	1 373	2 883	3 008	3 038
Bulk purchases	44 664	49 044	54 261	59 397	63 311	72 802	78 230	84 063
Contracted services	988	1 127	1 336	1 430	1 285	8 401	9 615	8 005
Transfers and grants	–	–	–	–	–	1 539	1 570	1 601
Other expenditure	69 685	79 580	70 866	73 989	81 067	43 801	63 545	84 644
Loss on disposal of PPE	1 376	6 775	1 266	–	–	–	–	–
<b>Total Expenditure</b>	<b>192 768</b>	<b>219 575</b>	<b>219 535</b>	<b>226 480</b>	<b>242 116</b>	<b>230 122</b>	<b>273 031</b>	<b>305 931</b>

The budgeted allocation for employee related costs for the 2015/16 financial year totals R84.256 million, which equals 36.61 per cent of the total operating expenditure. This percentage is set to remain constant over the MTREF. Should electricity bulk purchases and depreciation be excluded, in order to compare it with other municipalities on a more equal basis the situation is as follows:



This ratio is significantly higher than the benchmarking figure set between the municipalities in the Western Cape. This trend is further confirmed when compared to revenue as illustrated below:



Employee related costs are currently too high and the necessary steps should be taken to contain this significant expenditure line item. It should also be noted that the current expenditure level does not include the effect of TASK.

The increase in Employee Related Costs takes into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015. The salary increase in the 2 outer years is calculated at inflation plus 0.25%.

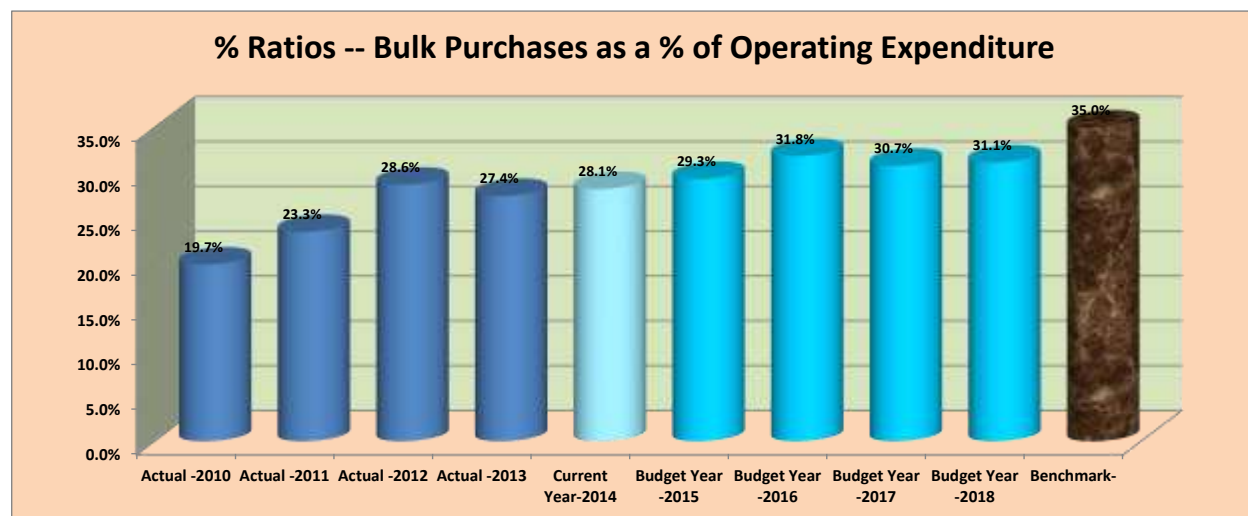
The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 96.3 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be

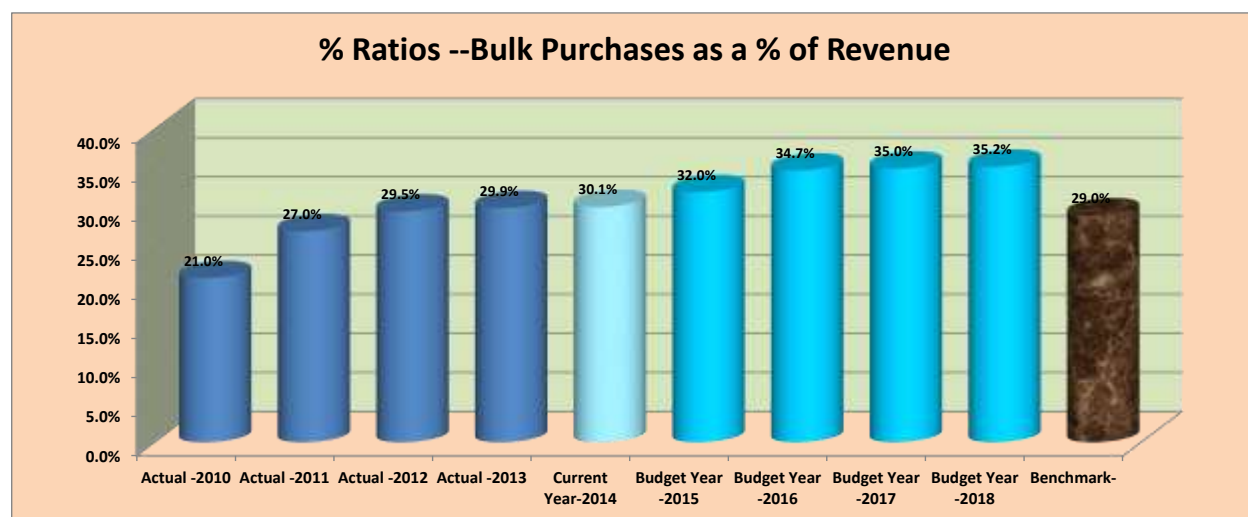
a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption.

Bulk purchases are largely informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. Bulk purchases represent approximately 30% of total expenditure throughout the MTREF. When compared to the expenditure benchmarks in the Western Cape, this ratio's for the municipality is in line.



However, compared to revenue, the cost of bulk services are considered to be too high. This is an indication of the municipality not being able to raise sufficient revenue in line with the cost drivers of the municipality.



Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption.

National Treasury is introducing a new Chart of Accounts and additional expenditure line-items in the budget. One of these line-items is "Other materials". Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. This group of expenditure has been identified in order to measure sustainability of the Municipality's infrastructure. The municipality's financial systems are, however, not yet ready to implement this change and will be addressed in future budgets.

Contracted services consist of the following and are linked to the delivery of primary services:

Description	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>			
<b><u>Contracted services</u></b>			
<i>Cleaning Services</i>	135	143	162
<i>Clearing &amp; Grass Cutting Services</i>	110	116	124
<i>Audit Committee</i>	110	116	123
<i>Professional Services</i>	3 210	2 470	2 327
<i>Property Valuation</i>	504	2 280	607
<i>Debt Collection Services</i>	200	210	215
<i>Legal fees</i>	1 304	1 364	1 424
<i>Refuse Removal</i>	1 100	1 155	1 213
<i>Roads and Stormwater</i>	150	140	147
<i>Security Services</i>	779	821	864
<i>Traffic Fine Management</i>	800	800	800
	<b>8 401</b>	<b>9 615</b>	<b>8 005</b>

Other expenditure comprises of various line items relating to the daily operations of the municipality (including repairs and maintenance as well as operating grant expenditure). These items should be reviewed by the municipality to ensure that all non-priority expenditure is eliminated.

### 1.6.1 Priority given to repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

For the 2015/16 budgets and MTREF's, municipalities must ensure they prioritise asset management and take into consideration the following:



- 1) 40 per cent of its 2014/15 Capital Budget should be allocated to the renewal of existing assets it.
- 2) Operational repairs and maintenance should not be less than 8 per cent of the asset value (write down value) of the municipality's Property Plant and Equipment (PPE)

Insufficient funds are currently allocated to repairs and maintenance. This could lead to impairment charges as well as shortened useful lives of assets.

**Table 4 Repairs and maintenance per asset class**

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>EXPENDITURE OTHER ITEMS</b>								
<b><u>Repairs and Maintenance by Asset Class</u></b>	7 862	8 697	10 057	10 063	10 523	10 811	11 385	13 185
Infrastructure - Road transport	1 512	1 773	1 605	1 524	1 584	1 175	1 244	1 317
Infrastructure - Electricity	749	1 089	1 145	855	800	823	833	825
Infrastructure - Water	958	989	1 052	1 368	1 368	950	980	1 020
Infrastructure - Sanitation	474	379	435	496	496	420	438	446
Infrastructure - Other	–	–	–	–	–	620	658	742
Infrastructure	3 692	4 230	4 237	4 243	4 248	3 988	4 152	4 350
Community	–	–	–	–	–	785	853	896
Other assets	4 170	4 467	5 820	5 820	6 275	6 039	6 380	7 940
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>13 957</b>	<b>16 134</b>	<b>20 786</b>	<b>17 008</b>	<b>19 560</b>	<b>19 100</b>	<b>20 044</b>	<b>22 231</b>
<b>Renewal of Existing Assets as % of total capex</b>	71.9%	53.8%	52.2%	60.5%	59.0%	41.6%	31.3%	37.1%
<b>Renewal of Existing Assets as % of deprecn"</b>	381.3%	315.9%	161.4%	128.0%	138.1%	116.8%	117.8%	116.2%
<b>R&amp;M as a % of PPE</b>	3.4%	3.4%	3.6%	3.7%	3.7%	3.6%	3.5%	3.8%
<b>Renewal and R&amp;M as a % of PPE</b>	11.0%	11.0%	9.0%	6.0%	7.0%	6.0%	6.0%	6.0%

## 1.6.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The cost associated with indigent subsidies amounts to R7.520 million

in 2015/16 and increases to R7.622 million and R7.742 million in the 2 outer years respectively. These figures do not include the 50 kWh electricity provided to indigents.

## 1.7 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 5 2015/16 Medium-term capital budget per vote**

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure to be appropriated</b>								
Vote 2 - Budget and Treasury Office	–	–	–	–	–	–	70	30
Vote 4 - Community and Social Services	708	–	–	–	–	1 200	2 000	1 775
Vote 5 - Sport and Recreation	482	70	933	100	100	–	–	–
Vote 6 - Public Safety	–	103	–	–	–	–	–	–
Vote 7 - Road Transport	1 540	5 999	7 685	100	100	–	–	–
Vote 8 - Electricity	3 758	1 476	1 028	800	800	–	–	–
Vote 9 - Water	312	85	–	350	350	–	–	–
Vote 10 - Waste Water Management	7 206	9 068	7 494	–	–	–	–	–
Vote 11 - Waste Management	128	60	–	–	–	–	–	–
Vote 14 - Infrastructure	–	–	–	–	–	1 650	3 385	3 875
<b>Capital multi-year expenditure sub-total</b>	<b>14 135</b>	<b>16 861</b>	<b>17 140</b>	<b>1 350</b>	<b>1 350</b>	<b>2 850</b>	<b>5 455</b>	<b>5 680</b>
<b>Single-year expenditure to be appropriated</b>								
Vote 1 - Executive and Council	557	14	2 585	57	123	–	–	–
Vote 2 - Budget and Treasury Office	1 227	628	593	925	867	18	6	–
Vote 3 - Corporate Services	480	296	3	305	385	1 742	1 123	447
Vote 4 - Community and Social Services	873	2 589	6 470	1 643	1 413	5 226	2 312	2 203
Vote 5 - Sport and Recreation	485	1 018	246	1 994	2 508	–	–	–
Vote 6 - Public Safety	564	410	–	24	20	–	–	–
Vote 7 - Road Transport	2 517	2 359	1 774	7 388	8 940	–	–	–
Vote 8 - Electricity	38	452	1 140	50	2 281	3 700	3 250	3 430
Vote 9 - Water	1 619	8 267	45	550	450	–	–	–
Vote 10 - Waste Water Management	945	45	656	50	759	–	–	–
Vote 11 - Waste Management	8 883	10 714	2 501	280	1 985	–	–	–
Vote 13 - Other	15	–	–	85	74	–	–	–
Vote 14 - Infrastructure	–	–	–	–	–	9 716	20 450	16 540
<b>Capital single-year expenditure sub-total</b>	<b>18 203</b>	<b>26 792</b>	<b>16 014</b>	<b>13 351</b>	<b>19 804</b>	<b>20 401</b>	<b>27 141</b>	<b>22 620</b>
<b>Total Capital Expenditure - Vote</b>	<b>32 338</b>	<b>43 653</b>	<b>33 154</b>	<b>14 701</b>	<b>21 154</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>

The following table provides more information on the breakdown of the capital budget.

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>CAPITAL EXPENDITURE</b>								
<b><u>Total New Assets</u></b>	<b>9 097</b>	<b>20 158</b>	<b>15 841</b>	<b>5 813</b>	<b>8 678</b>	<b>13 572</b>	<b>22 398</b>	<b>17 792</b>
Infrastructure - Road transport	1 180	4 934	7 131	650	650	3 506	11 255	11 660
Infrastructure - Electricity	1 533	677	2 926	300	2 300	2 300	2 100	2 100
Infrastructure - Water	324	7 828	–	–	–	340	1 400	900
Infrastructure - Sanitation	437	614	–	–	709	–	–	750
Infrastructure - Other	22	–	–	20	20	300	1 200	600
Infrastructure	3 497	14 052	10 056	970	3 679	6 446	15 955	16 010
Community	30	1 951	4 168	3 035	2 430	4 361	793	371
Investment properties	426	–	–	–	–	–	–	–
Other assets	5 101	3 703	1 451	1 485	1 985	2 765	5 450	1 410
Intangibles	43	452	166	323	585	–	200	–
<b><u>Total Renewal of Existing Assets</u></b>	<b>23 240</b>	<b>23 495</b>	<b>17 313</b>	<b>8 888</b>	<b>12 476</b>	<b>9 680</b>	<b>10 197</b>	<b>10 509</b>
Infrastructure - Road transport	2 483	3 040	4 751	6 758	8 331	2 100	3 745	4 705
Infrastructure - Electricity	2 199	1 224	957	500	740	1 380	1 130	1 310
Infrastructure - Water	917	158	45	850	750	380	2 270	1 300
Infrastructure - Sanitation	7 654	8 455	7 501	–	–	3 000	–	500
Infrastructure - Other	8 041	9 999	–	–	1 700	–	–	–
Infrastructure	21 293	22 875	13 255	8 108	11 521	6 860	7 145	7 815
Community	14	393	1 147	140	140	1 215	1 470	1 200
Heritage assets	–	–	2 423	–	–	–	–	–
Other assets	1 933	227	488	440	541	1 605	1 583	1 494
Intangibles	–	–	–	200	275	–	–	–
<b><u>Total Capital Expenditure</u></b>								
Infrastructure - Road transport	3 663	7 973	11 882	7 408	8 981	5 606	15 000	16 365
Infrastructure - Electricity	3 732	1 901	3 883	800	3 040	3 680	3 230	3 410
Infrastructure - Water	1 241	7 986	45	850	750	720	3 670	2 200
Infrastructure - Sanitation	8 091	9 068	7 501	–	709	3 000	–	1 250
Infrastructure - Other	8 064	9 999	–	20	1 720	300	1 200	600
Infrastructure	24 790	36 927	23 311	9 078	15 199	13 306	23 100	23 825
Community	44	2 344	5 315	3 175	2 570	5 576	2 263	1 571
Heritage assets	–	–	2 423	–	–	–	–	–
Investment properties	426	–	–	–	–	–	–	–
Other assets	7 034	3 930	1 939	1 924	2 525	4 369	7 033	2 904
Intangibles	43	452	166	523	860	–	200	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>32 338</b>	<b>43 653</b>	<b>33 154</b>	<b>14 701</b>	<b>21 154</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>

As previously mentioned, the municipality is not generation sufficient cash resources to maintain this large expenditure program. The municipality should cut back on both capital and operating expenditure.

## 1.8 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 6 MBRR Table A1 - Budget Summary**

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousands</b>								
<b><u>Financial Performance</u></b>								
Property rates	32 427	34 763	39 325	42 304	42 783	49 956	52 454	55 077
Service charges	88 886	97 136	104 594	115 731	118 927	120 436	129 572	139 365
Investment revenue	2 224	2 050	1 889	1 666	1 741	1 970	2 069	2 172
Transfers recognised - operational	57 579	62 567	50 775	47 665	50 671	30 290	49 172	68 946
Other own revenue	10 979	11 244	14 407	11 479	12 378	12 779	13 426	14 084
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>192 095</b>	<b>207 760</b>	<b>210 990</b>	<b>218 845</b>	<b>226 499</b>	<b>215 431</b>	<b>246 693</b>	<b>279 643</b>
Employee costs	65 699	69 692	73 679	78 871	79 372	84 256	99 910	106 564
Remuneration of councillors	2 907	3 077	3 288	3 511	3 511	3 760	3 968	4 188
Depreciation & asset impairment	6 096	7 437	10 729	6 945	9 037	8 289	8 660	9 046
Finance charges	351	665	1 142	1 242	1 373	2 883	3 008	3 038
Materials and bulk purchases	44 664	49 044	54 261	59 397	63 311	72 802	78 230	84 063
Transfers and grants	-	-	-	-	-	1 539	1 570	1 601
Other expenditure	73 052	89 660	76 437	76 514	85 512	56 592	77 685	97 431
<b>Total Expenditure</b>	<b>192 768</b>	<b>219 575</b>	<b>219 535</b>	<b>226 480</b>	<b>242 116</b>	<b>230 122</b>	<b>273 031</b>	<b>305 931</b>
<b>Surplus/(Deficit)</b>	<b>(673)</b>	<b>(11 815)</b>	<b>(8 545)</b>	<b>(7 635)</b>	<b>(15 617)</b>	<b>(14 691)</b>	<b>(26 338)</b>	<b>(26 288)</b>
Transfers recognised - capital	7 747	23 712	15 437	11 071	14 352	13 464	13 761	12 965
<b>Surplus/(Deficit) for the year</b>	<b>7 074</b>	<b>11 897</b>	<b>6 893</b>	<b>3 436</b>	<b>(1 265)</b>	<b>(1 227)</b>	<b>(12 577)</b>	<b>(13 323)</b>
<b><u>Capital expenditure &amp; funds sources</u></b>								
<b>Capital expenditure</b>	<b>32 338</b>	<b>43 653</b>	<b>33 154</b>	<b>14 701</b>	<b>21 154</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>
Transfers recognised - capital	7 747	23 712	15 437	11 071	14 352	13 464	13 761	12 965
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	759	44	168	-	-	3 090	11 690	5 235
Internally generated funds	23 832	19 896	17 549	3 631	6 803	6 697	7 145	10 100
<b>Total sources of capital funds</b>	<b>32 338</b>	<b>43 653</b>	<b>33 154</b>	<b>14 701</b>	<b>21 154</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousands</b>								
<b><u>Financial position</u></b>								
Total current assets	42 244	40 880	40 253	35 334	27 898	26 160	29 560	33 208
Total non current assets	286 045	315 651	335 851	327 450	347 963	362 919	386 849	406 097
Total current liabilities	18 486	19 794	26 351	18 912	22 274	30 015	56 158	84 617
Total non current liabilities	37 231	52 267	58 391	59 073	63 491	70 195	83 960	91 719
Community wealth/Equity	272 572	284 469	291 362	284 800	290 096	288 869	276 292	262 969
<b><u>Cash flows</u></b>								
Net cash from (used) operating	15 516	31 892	27 606	10 170	4 607	7 995	(499)	(840)
Net cash from (used) investing	(22 683)	(33 818)	(30 720)	(14 695)	(21 148)	(23 245)	(32 590)	(28 294)
Net cash from (used) financing	368	(96)	(42)	(98)	(49)	2 868	10 227	3 505
Cash/cash equivalents at the year end	26 585	24 562	21 407	13 443	4 818	(7 564)	(30 425)	(56 056)
<b><u>Cash backing/surplus reconciliation</u></b>								
Cash and investments available	26 585	24 698	21 452	13 583	4 863	(7 519)	(30 380)	(56 010)
Application of cash and investments	16 048	11 543	11 281	956	(8 832)	(17 589)	(19 362)	(21 424)
Balance - surplus (shortfall)	10 537	13 155	10 171	12 628	13 695	10 070	(11 019)	(34 587)
<b><u>Asset management</u></b>								
Asset register summary (WDV)	276 403	296 099	317 732	308 736	330 364	345 738	370 086	389 752
Depreciation & asset impairment	6 096	7 437	10 729	6 945	9 037	8 289	8 660	9 046
Renewal of Existing Assets	23 240	23 495	17 313	8 888	12 476	9 680	10 197	10 509
Repairs and Maintenance	7 862	8 697	10 057	10 063	10 523	10 811	11 385	13 185
<b><u>Free services</u></b>								
Cost of Free Basic Services provided	4 614	6 904	7 503	7 503	7 503	8	8	8
Revenue cost of free services provided	4 273	4 395	7 653	7 684	7 684	168	176	184
<b><u>Households below minimum service level</u></b>								
Water:	1	1	1	1	1	1	1	1
Sanitation/sewage:	1	1	1	1	1	1	1	1
Energy:	1	1	1	1	1	1	1	1
Refuse:	1	1	1	1	1	1	1	1

**Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The accumulated surplus is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.
4. The Cash backing/surplus reconciliation shows a sharp decline over the MTREF. However, it should be noted that the budget is not cash funded.

**Table 7 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>								
<b><i>Governance and administration</i></b>	<b>96 136</b>	<b>118 059</b>	<b>105 007</b>	<b>67 278</b>	<b>68 640</b>	<b>70 327</b>	<b>74 534</b>	<b>79 186</b>
Executive and council	59 292	79 274	61 675	20 320	20 327	13 309	14 780	16 417
Budget and treasury office	35 963	37 889	42 714	46 874	47 505	55 368	58 021	60 950
Corporate services	881	896	618	84	809	1 651	1 733	1 819
<b><i>Community and public safety</i></b>	<b>10 597</b>	<b>11 834</b>	<b>14 004</b>	<b>32 392</b>	<b>37 526</b>	<b>15 291</b>	<b>33 898</b>	<b>51 045</b>
Community and social services	3 955	4 975	6 295	24 826	29 005	4 878	5 088	5 128
Sport and recreation	3 932	3 992	4 254	4 624	4 729	4 515	4 562	4 823
Public safety	2 710	2 868	3 455	2 942	3 792	3 599	3 798	3 974
Housing	-	-	-	-	-	2 300	20 450	37 120
<b><i>Economic and environmental services</i></b>	<b>3 083</b>	<b>3 266</b>	<b>212</b>	<b>11 118</b>	<b>11 652</b>	<b>12 106</b>	<b>11 576</b>	<b>11 978</b>
Planning and development	-	-	-	-	521	12 106	11 576	11 978
Road transport	3 083	3 266	212	11 118	11 132	-	-	-
<b><i>Trading services</i></b>	<b>90 026</b>	<b>98 313</b>	<b>107 204</b>	<b>119 127</b>	<b>123 032</b>	<b>131 171</b>	<b>140 446</b>	<b>150 400</b>
Electricity	60 539	65 680	71 612	76 821	80 017	85 961	92 213	98 935
Water	14 986	16 392	17 163	20 422	20 422	21 085	22 666	24 366
Waste water management	5 520	6 435	7 656	8 568	9 277	9 569	10 283	11 052
Waste management	8 981	9 806	10 773	13 316	13 316	14 556	15 283	16 047
<b>Total Revenue - Standard</b>	<b>199 842</b>	<b>231 473</b>	<b>226 427</b>	<b>229 916</b>	<b>240 851</b>	<b>228 895</b>	<b>260 453</b>	<b>292 609</b>

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Expenditure - Standard</u></b>								
<b><i>Governance and administration</i></b>	<b>84 927</b>	<b>99 021</b>	<b>87 797</b>	<b>62 996</b>	<b>65 643</b>	<b>64 257</b>	<b>74 073</b>	<b>77 656</b>
Executive and council	52 082	53 766	43 090	19 599	21 735	16 271	17 235	18 018
Budget and treasury office	18 749	24 862	27 512	26 547	28 715	31 204	34 433	35 300
Corporate services	14 097	20 393	17 195	16 851	15 193	16 782	22 405	24 337
<b><i>Community and public safety</i></b>	<b>20 976</b>	<b>22 313</b>	<b>26 154</b>	<b>46 758</b>	<b>50 755</b>	<b>33 273</b>	<b>54 559</b>	<b>74 307</b>
Community and social services	10 313	10 155	12 574	31 292	34 360	12 023	14 126	14 815
Sport and recreation	5 684	6 709	6 979	9 056	8 590	8 340	8 827	10 601
Public safety	4 979	5 449	6 601	6 410	7 804	9 158	9 631	10 160
Housing	–	–	–	–	–	3 751	21 975	38 731
<b><i>Economic and environmental services</i></b>	<b>14 143</b>	<b>15 873</b>	<b>12 595</b>	<b>16 039</b>	<b>21 083</b>	<b>19 498</b>	<b>23 780</b>	<b>25 251</b>
Planning and development	–	–	–	–	4 536	7 655	7 549	8 024
Road transport	13 812	15 490	12 202	15 466	16 219	11 550	15 916	16 892
Environmental protection	331	383	393	573	328	293	315	335
<b><i>Trading services</i></b>	<b>72 722</b>	<b>82 369</b>	<b>92 989</b>	<b>100 687</b>	<b>104 636</b>	<b>113 094</b>	<b>120 618</b>	<b>128 718</b>
Electricity	50 734	57 034	61 943	69 692	71 380	81 379	87 276	93 675
Water	9 305	10 813	12 182	12 876	13 038	12 247	12 874	13 538
Waste water management	5 334	6 101	6 911	6 895	7 201	6 889	7 288	7 712
Waste management	7 350	8 420	11 952	11 223	13 016	12 579	13 180	13 793
<b>Total Expenditure - Standard</b>	<b>192 768</b>	<b>219 575</b>	<b>219 535</b>	<b>226 480</b>	<b>242 116</b>	<b>230 122</b>	<b>273 031</b>	<b>305 931</b>
<b>Surplus/(Deficit) for the year</b>	<b>7 074</b>	<b>11 897</b>	<b>6 893</b>	<b>3 436</b>	<b>(1 265)</b>	<b>(1 227)</b>	<b>(12 577)</b>	<b>(13 323)</b>

### Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.



**Table 8 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue by Vote</b>								
Vote 1 - Executive and Council	59 292	79 274	61 675	20 320	20 327	13 309	14 780	16 417
Vote 2 - Budget and Treasury Office	35 963	37 889	42 714	46 874	47 505	55 368	58 021	60 950
Vote 3 - Corporate Services	881	896	618	84	1 330	2 170	2 282	2 385
Vote 4 - Community and Social Services	3 955	4 975	6 295	24 826	29 005	15 291	33 898	51 045
Vote 5 - Sport and Recreation	3 932	3 992	4 254	4 624	4 729	–	–	–
Vote 6 - Public Safety	2 710	2 868	3 455	2 942	3 792	–	–	–
Vote 7 - Road Transport	3 083	3 261	212	85	99	–	–	–
Vote 8 - Electricity	60 539	65 680	71 612	76 821	80 017	85 961	92 213	98 935
Vote 9 - Water	14 986	16 392	17 163	20 422	20 422	–	–	–
Vote 10 - Waste Water Management	5 520	6 435	7 656	8 568	9 277	–	–	–
Vote 11 - Waste Management	8 981	9 806	10 773	13 316	13 316	–	–	–
Vote 12 - Environmental Protection	–	–	–	–	–	–	–	–
Vote 13 - Other	–	5	–	11 033	11 033	–	–	–
Vote 14 - Infrastructure	–	–	–	–	–	56 796	59 260	62 877
<b>Total Revenue by Vote</b>	<b>199 842</b>	<b>231 473</b>	<b>226 427</b>	<b>229 916</b>	<b>240 851</b>	<b>228 895</b>	<b>260 453</b>	<b>292 609</b>
<b>Expenditure by Vote to be appropriated</b>								
Vote 1 - Executive and Council	52 082	53 766	43 090	19 599	21 735	16 271	17 235	18 018
Vote 2 - Budget and Treasury Office	18 749	24 862	27 512	26 547	28 715	31 204	34 433	35 300
Vote 3 - Corporate Services	14 097	20 393	17 195	16 851	19 730	21 797	28 000	30 243
Vote 4 - Community and Social Services	10 313	10 155	12 574	31 292	34 360	33 565	54 875	74 642
Vote 5 - Sport and Recreation	5 684	6 709	6 979	9 056	8 590	–	–	–
Vote 6 - Public Safety	4 979	5 449	6 601	6 410	7 804	–	–	–
Vote 7 - Road Transport	11 909	13 374	9 896	11 005	11 305	–	–	–
Vote 8 - Electricity	50 734	57 034	61 943	69 692	71 380	81 379	87 276	93 675
Vote 9 - Water	9 305	10 813	12 182	12 876	13 038	–	–	–
Vote 10 - Waste Water Management	5 334	6 101	6 911	6 895	7 201	–	–	–
Vote 11 - Waste Management	7 350	8 420	11 952	11 223	13 016	–	–	–
Vote 12 - Environmental Protection	331	383	393	573	328	–	–	–
Vote 13 - Other	1 902	2 116	2 306	4 461	4 913	–	–	–
Vote 14 - Infrastructure	–	–	–	–	–	45 905	51 212	54 053
<b>Total Expenditure by Vote</b>	<b>192 768</b>	<b>219 575</b>	<b>219 535</b>	<b>226 480</b>	<b>242 116</b>	<b>230 122</b>	<b>273 031</b>	<b>305 931</b>
<b>Surplus/(Deficit) for the year</b>	<b>7 074</b>	<b>11 897</b>	<b>6 893</b>	<b>3 436</b>	<b>(1 265)</b>	<b>(1 227)</b>	<b>(12 577)</b>	<b>(13 323)</b>

### Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

**Table 9 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>Revenue By Source</b>								
Property rates	32 427	34 763	39 325	42 304	42 783	49 956	52 454	55 077
Service charges - electricity revenue	60 022	65 092	69 614	74 134	77 330	83 295	89 542	96 257
Service charges - water revenue	14 765	16 175	16 950	20 238	20 238	19 641	21 189	22 852
Service charges - sanitation revenue	5 434	6 336	7 534	8 446	8 446	6 680	7 353	8 073
Service charges - refuse revenue	8 664	9 534	10 495	12 912	12 912	10 821	11 488	12 182
Rental of facilities and equipment	4 756	5 014	5 177	5 287	5 292	5 475	5 758	6 078
Interest earned - external investments	2 224	2 050	1 889	1 666	1 741	1 970	2 069	2 172
Interest earned - outstanding debtors	514	637	760	723	800	800	840	882
Fines	751	861	1 400	572	1 422	1 436	1 532	1 598
Licences and permits	1 012	1 036	963	1 223	1 177	330	346	364
Agency services	1 079	1 095	1 255	1 306	1 306	1 309	1 374	1 443
Transfers recognised - operational	57 579	62 567	50 775	47 665	50 671	30 290	49 172	68 946
Other revenue	2 867	2 600	4 853	2 366	2 380	3 430	3 576	3 719
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>192 095</b>	<b>207 760</b>	<b>210 990</b>	<b>218 845</b>	<b>226 499</b>	<b>215 431</b>	<b>246 693</b>	<b>279 643</b>
<b>Expenditure By Type</b>								
Employee related costs	65 699	69 692	73 679	78 871	79 372	84 256	99 910	106 564
Remuneration of councillors	2 907	3 077	3 288	3 511	3 511	3 760	3 968	4 188
Debt impairment	1 004	2 179	2 969	1 095	3 160	4 390	4 525	4 782
Depreciation & asset impairment	6 096	7 437	10 729	6 945	9 037	8 289	8 660	9 046
Finance charges	351	665	1 142	1 242	1 373	2 883	3 008	3 038
Bulk purchases	44 664	49 044	54 261	59 397	63 311	72 802	78 230	84 063
Contracted services	988	1 127	1 336	1 430	1 285	8 401	9 615	8 005
Transfers and grants	–	–	–	–	–	1 539	1 570	1 601
Other expenditure	69 685	79 580	70 866	73 989	81 067	43 801	63 545	84 644
Loss on disposal of PPE	1 376	6 775	1 266	–	–	–	–	–
<b>Total Expenditure</b>	<b>192 768</b>	<b>219 575</b>	<b>219 535</b>	<b>226 480</b>	<b>242 116</b>	<b>230 122</b>	<b>273 031</b>	<b>305 931</b>
<b>Surplus/(Deficit)</b>	<b>(673)</b>	<b>(11 815)</b>	<b>(8 545)</b>	<b>(7 635)</b>	<b>(15 617)</b>	<b>(14 691)</b>	<b>(26 338)</b>	<b>(26 288)</b>
Transfers recognised - capital	7 747	23 712	15 437	11 071	14 352	13 464	13 761	12 965
<b>Surplus/(Deficit) for the year</b>	<b>7 074</b>	<b>11 897</b>	<b>6 893</b>	<b>3 436</b>	<b>(1 265)</b>	<b>(1 227)</b>	<b>(12 577)</b>	<b>(13 323)</b>

## Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality.

**Table 10 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure to be appropriated</b>								
Vote 2 - Budget and Treasury Office	–	–	–	–	–	–	70	30
Vote 4 - Community and Social Services	708	–	–	–	–	1 200	2 000	1 775
Vote 5 - Sport and Recreation	482	70	933	100	100	–	–	–
Vote 6 - Public Safety	–	103	–	–	–	–	–	–
Vote 7 - Road Transport	1 540	5 999	7 685	100	100	–	–	–
Vote 8 - Electricity	3 758	1 476	1 028	800	800	–	–	–
Vote 9 - Water	312	85	–	350	350	–	–	–
Vote 10 - Waste Water Management	7 206	9 068	7 494	–	–	–	–	–
Vote 11 - Waste Management	128	60	–	–	–	–	–	–
Vote 14 - Infrastructure	–	–	–	–	–	1 650	3 385	3 875
<b>Capital multi-year expenditure sub-total</b>	<b>14 135</b>	<b>16 861</b>	<b>17 140</b>	<b>1 350</b>	<b>1 350</b>	<b>2 850</b>	<b>5 455</b>	<b>5 680</b>
<b>Single-year expenditure to be appropriated</b>								
Vote 1 - Executive and Council	557	14	2 585	57	123	–	–	–
Vote 2 - Budget and Treasury Office	1 227	628	593	925	867	18	6	–
Vote 3 - Corporate Services	480	296	3	305	385	1 742	1 123	447
Vote 4 - Community and Social Services	873	2 589	6 470	1 643	1 413	5 226	2 312	2 203
Vote 5 - Sport and Recreation	485	1 018	246	1 994	2 508	–	–	–
Vote 6 - Public Safety	564	410	–	24	20	–	–	–
Vote 7 - Road Transport	2 517	2 359	1 774	7 388	8 940	–	–	–
Vote 8 - Electricity	38	452	1 140	50	2 281	3 700	3 250	3 430
Vote 9 - Water	1 619	8 267	45	550	450	–	–	–
Vote 10 - Waste Water Management	945	45	656	50	759	–	–	–
Vote 11 - Waste Management	8 883	10 714	2 501	280	1 985	–	–	–
Vote 13 - Other	15	–	–	85	74	–	–	–
Vote 14 - Infrastructure	–	–	–	–	–	9 716	20 450	16 540
<b>Capital single-year expenditure sub-total</b>	<b>18 203</b>	<b>26 792</b>	<b>16 014</b>	<b>13 351</b>	<b>19 804</b>	<b>20 401</b>	<b>27 141</b>	<b>22 620</b>
<b>Total Capital Expenditure - Vote</b>	<b>32 338</b>	<b>43 653</b>	<b>33 154</b>	<b>14 701</b>	<b>21 154</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Capital Expenditure - Standard</u></b>								
<b><i>Governance and administration</i></b>	<b>2 264</b>	<b>938</b>	<b>1 169</b>	<b>1 286</b>	<b>1 375</b>	<b>1 759</b>	<b>1 199</b>	<b>477</b>
Executive and council	557	14	168	57	123	-	-	-
Budget and treasury office	1 227	628	999	925	867	18	76	30
Corporate services	480	296	3	305	385	1 742	1 123	447
<b><i>Community and public safety</i></b>	<b>3 113</b>	<b>4 191</b>	<b>7 664</b>	<b>3 761</b>	<b>4 041</b>	<b>6 426</b>	<b>4 312</b>	<b>3 978</b>
Community and social services	1 581	2 589	6 485	1 643	1 413	4 605	2 129	1 071
Sport and recreation	967	1 088	1 179	2 094	2 608	1 349	1 575	1 280
Public safety	564	513	-	24	20	472	594	1 627
Housing	-	-	-	-	-	-	14	-
<b><i>Economic and environmental services</i></b>	<b>4 057</b>	<b>8 358</b>	<b>9 459</b>	<b>7 488</b>	<b>9 040</b>	<b>6 136</b>	<b>15 615</b>	<b>16 365</b>
Road transport	4 057	8 358	9 459	7 488	9 040	6 136	15 615	16 365
<b><i>Trading services</i></b>	<b>22 889</b>	<b>30 166</b>	<b>14 862</b>	<b>2 080</b>	<b>6 625</b>	<b>8 930</b>	<b>11 470</b>	<b>7 480</b>
Electricity	3 796	1 927	4 165	850	3 081	3 700	3 250	3 430
Water	1 931	8 352	45	900	800	735	3 670	2 200
Waste water management	8 151	9 113	8 150	50	759	4 065	800	1 250
Waste management	9 011	10 773	2 501	280	1 985	430	3 750	600
<b><i>Other</i></b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>74</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>32 338</b>	<b>43 653</b>	<b>33 154</b>	<b>14 701</b>	<b>21 154</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>
<b><u>Funded by:</u></b>								
National Government	7 608	18 607	11 307	10 802	12 565	13 245	13 225	12 840
Provincial Government	85	4 778	4 109	269	1 786	220	536	125
Other transfers and grants	54	328	21	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>7 747</b>	<b>23 712</b>	<b>15 437</b>	<b>11 071</b>	<b>14 352</b>	<b>13 464</b>	<b>13 761</b>	<b>12 965</b>
<b>Borrowing</b>	<b>759</b>	<b>44</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>3 090</b>	<b>11 690</b>	<b>5 235</b>
<b>Internally generated funds</b>	<b>23 832</b>	<b>19 896</b>	<b>17 549</b>	<b>3 631</b>	<b>6 803</b>	<b>6 697</b>	<b>7 145</b>	<b>10 100</b>
<b>Total Capital Funding</b>	<b>32 338</b>	<b>43 653</b>	<b>33 154</b>	<b>14 701</b>	<b>21 154</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital program is funded from National, Provincial and Other grants and transfers, borrowing and internally generated funds from current and prior year surpluses.

**Table 11 MBRR Table A6 - Budgeted Financial Position**

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>ASSETS</b>								
<b>Current assets</b>								
Cash	26 585	24 562	11 407	13 443	4 818	–	–	–
Call investment deposits	–	–	10 000	–	–	–	–	–
Consumer debtors	13 714	14 729	17 643	20 121	21 494	24 530	27 884	31 483
Other debtors	966	674	504	630	854	854	854	854
Current portion of long-term receivables	6	6	7	6	6	6	6	6
Inventory	973	909	692	1 135	727	770	817	866
<b>Total current assets</b>	<b>42 244</b>	<b>40 880</b>	<b>40 253</b>	<b>35 334</b>	<b>27 898</b>	<b>26 160</b>	<b>29 560</b>	<b>33 208</b>
<b>Non current assets</b>								
Long-term receivables	380	351	318	338	312	306	300	294
Investments	–	135	45	140	45	45	45	45
Investment property	41 626	40 733	40 694	35 704	40 692	40 683	40 674	40 666
Property, plant and equipment	234 663	254 846	276 473	272 060	288 287	303 791	328 070	347 866
Intangible	114	520	565	971	1 385	1 263	1 341	1 219
Other non-current assets	9 262	19 065	17 757	18 236	17 242	16 830	16 418	16 006
<b>Total non current assets</b>	<b>286 045</b>	<b>315 651</b>	<b>335 851</b>	<b>327 450</b>	<b>347 963</b>	<b>362 919</b>	<b>386 849</b>	<b>406 097</b>
<b>TOTAL ASSETS</b>	<b>328 290</b>	<b>356 531</b>	<b>376 104</b>	<b>362 785</b>	<b>375 861</b>	<b>389 079</b>	<b>416 409</b>	<b>439 306</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Bank overdraft	–	–	–	–	–	7 564	30 425	56 056
Borrowing	390	424	304	272	255	586	1 519	2 002
Consumer deposits	3 153	3 412	3 643	3 755	3 898	4 171	4 463	4 775
Trade and other payables	8 804	8 521	12 743	8 231	7 965	6 951	8 385	9 762
Provisions	6 139	7 438	9 661	6 654	10 155	10 743	11 365	12 022
<b>Total current liabilities</b>	<b>18 486</b>	<b>19 794</b>	<b>26 351</b>	<b>18 912</b>	<b>22 274</b>	<b>30 015</b>	<b>56 158</b>	<b>84 617</b>
<b>Non current liabilities</b>								
Borrowing	1 044	656	504	214	248	2 513	11 515	14 225
Provisions	36 187	51 611	57 888	58 859	63 243	67 682	72 445	77 494
<b>Total non current liabilities</b>	<b>37 231</b>	<b>52 267</b>	<b>58 391</b>	<b>59 073</b>	<b>63 491</b>	<b>70 195</b>	<b>83 960</b>	<b>91 719</b>
<b>TOTAL LIABILITIES</b>	<b>55 718</b>	<b>72 062</b>	<b>84 742</b>	<b>77 984</b>	<b>85 765</b>	<b>100 210</b>	<b>140 117</b>	<b>176 336</b>
<b>NET ASSETS</b>	<b>272 572</b>	<b>284 469</b>	<b>291 362</b>	<b>284 800</b>	<b>290 096</b>	<b>288 869</b>	<b>276 292</b>	<b>262 969</b>
<b>COMMUNITY WEALTH/EQUITY</b>								
Accumulated Surplus/(Deficit)	250 572	265 969	275 612	271 800	285 296	288 869	276 292	262 969
Reserves	22 000	18 500	15 750	13 000	4 800	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>272 572</b>	<b>284 469</b>	<b>291 362</b>	<b>284 800</b>	<b>290 096</b>	<b>288 869</b>	<b>276 292</b>	<b>262 969</b>

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 12 MBRR Table A7 - Budgeted Cash Flow Statement**

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates, penalties & collection charges	31 227	33 477	37 870	40 739	41 200	48 108	50 513	53 039
Service charges	85 597	93 542	100 724	111 449	114 526	115 980	124 778	134 209
Other revenue	9 327	13 622	8 993	10 781	10 200	10 886	11 473	12 047
Government - operating	60 327	63 697	52 700	47 665	46 725	30 290	49 172	68 946
Government - capital	8 592	23 712	17 099	11 071	12 921	13 464	13 761	12 965
Interest	2 779	2 712	2 660	2 390	2 541	2 740	2 877	3 021
<b>Payments</b>								
Suppliers and employees	(181 983)	(198 206)	(191 298)	(212 682)	(223 393)	(210 376)	(249 890)	(281 837)
Finance charges	(351)	(665)	(1 142)	(1 242)	(114)	(1 558)	(1 613)	(1 630)
Transfers and Grants	–	–	–	–	–	(1 539)	(1 570)	(1 601)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>15 516</b>	<b>31 892</b>	<b>27 606</b>	<b>10 170</b>	<b>4 607</b>	<b>7 995</b>	<b>(499)</b>	<b>(840)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	367	230	–	–	–	–	–	–
Decrease (increase) other non-current receivable	33	29	33	6	7	6	6	6
Decrease (increase) in non-current investments	–	(377)	(21)	–	–	–	–	–
<b>Payments</b>								
Capital assets	(23 082)	(33 700)	(30 731)	(14 701)	(21 154)	(23 251)	(32 596)	(28 300)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(22 683)</b>	<b>(33 818)</b>	<b>(30 720)</b>	<b>(14 695)</b>	<b>(21 148)</b>	<b>(23 245)</b>	<b>(32 590)</b>	<b>(28 294)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Borrowing long term/refinancing	731	44	168	–	–	3 090	11 690	5 235
Increase (decrease) in consumer deposits	272	260	231	213	255	273	292	312
<b>Payments</b>								
Repayment of borrowing	(635)	(399)	(440)	(311)	(304)	(494)	(1 755)	(2 043)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>368</b>	<b>(96)</b>	<b>(42)</b>	<b>(98)</b>	<b>(49)</b>	<b>2 868</b>	<b>10 227</b>	<b>3 505</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(6 798)</b>	<b>(2 022)</b>	<b>(3 155)</b>	<b>(4 623)</b>	<b>(16 590)</b>	<b>(12 382)</b>	<b>(22 861)</b>	<b>(25 630)</b>
Cash/cash equivalents at the year begin:	33 383	26 585	24 562	18 066	21 407	4 818	(7 564)	(30 425)
Cash/cash equivalents at the year end:	26 585	24 562	21 407	13 443	4 818	(7 564)	(30 425)	(56 056)

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget. It is projected that the municipality will go into overdraft during 2015/16, which will result in the budget not being cash funded.



**Table 13 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash and investments available</b>								
Cash/cash equivalents at the year end	26 585	24 562	21 407	13 443	4 818	(7 564)	(30 425)	(56 056)
Other current investments > 90 days	0	0	–	–	0	–	–	–
Non current assets - Investments	–	135	45	140	45	45	45	45
<b>Cash and investments available:</b>	<b>26 585</b>	<b>24 698</b>	<b>21 452</b>	<b>13 583</b>	<b>4 863</b>	<b>(7 519)</b>	<b>(30 380)</b>	<b>(56 010)</b>
<b>Application of cash and investments</b>								
Unspent conditional transfers	1 517	2 351	5 529	419	153	153	153	153
Other working capital requirements	(7 469)	(9 308)	(9 998)	(12 463)	(13 785)	(17 743)	(19 515)	(21 577)
Reserves to be backed by cash/investments	22 000	18 500	15 750	13 000	4 800	–	–	–
<b>Total Application of cash and investments:</b>	<b>16 048</b>	<b>11 543</b>	<b>11 281</b>	<b>956</b>	<b>(8 832)</b>	<b>(17 589)</b>	<b>(19 362)</b>	<b>(21 424)</b>
<b>Surplus(shortfall)</b>	<b>10 537</b>	<b>13 155</b>	<b>10 171</b>	<b>12 628</b>	<b>13 695</b>	<b>10 070</b>	<b>(11 019)</b>	<b>(34 587)</b>

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded". The municipality's budget is not cash-funded for the entire MTREF. Even though the schedule indicates that the municipality is still "funded" in 2015/2016, it is only due to a positive working capital level.
4. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework is to ensure the budget is funded and aligned to section 18 of the MFMA.

**Table 14 MBRR Table A9 - Asset Management**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CAPITAL EXPENDITURE</b>								
<b><u>Total New Assets</u></b>	<b>9 097</b>	<b>20 158</b>	<b>15 841</b>	<b>5 813</b>	<b>8 678</b>	<b>13 572</b>	<b>22 398</b>	<b>17 792</b>
Infrastructure - Road transport	1 180	4 934	7 131	650	650	3 506	11 255	11 660
Infrastructure - Electricity	1 533	677	2 926	300	2 300	2 300	2 100	2 100
Infrastructure - Water	324	7 828	–	–	–	340	1 400	900
Infrastructure - Sanitation	437	614	–	–	709	–	–	750
Infrastructure - Other	22	–	–	20	20	300	1 200	600
Infrastructure	3 497	14 052	10 056	970	3 679	6 446	15 955	16 010
Community	30	1 951	4 168	3 035	2 430	4 361	793	371
Investment properties	426	–	–	–	–	–	–	–
Other assets	5 101	3 703	1 451	1 485	1 985	2 765	5 450	1 410
Intangibles	43	452	166	323	585	–	200	–
<b><u>Total Renewal of Existing Assets</u></b>	<b>23 240</b>	<b>23 495</b>	<b>17 313</b>	<b>8 888</b>	<b>12 476</b>	<b>9 680</b>	<b>10 197</b>	<b>10 509</b>
Infrastructure - Road transport	2 483	3 040	4 751	6 758	8 331	2 100	3 745	4 705
Infrastructure - Electricity	2 199	1 224	957	500	740	1 380	1 130	1 310
Infrastructure - Water	917	158	45	850	750	380	2 270	1 300
Infrastructure - Sanitation	7 654	8 455	7 501	–	–	3 000	–	500
Infrastructure - Other	8 041	9 999	–	–	1 700	–	–	–
Infrastructure	21 293	22 875	13 255	8 108	11 521	6 860	7 145	7 815
Community	14	393	1 147	140	140	1 215	1 470	1 200
Heritage assets	–	–	2 423	–	–	–	–	–
Other assets	1 933	227	488	440	541	1 605	1 583	1 494
Intangibles	–	–	–	200	275	–	–	–
<b><u>Total Capital Expenditure</u></b>								
Infrastructure - Road transport	3 663	7 973	11 882	7 408	8 981	5 606	15 000	16 365
Infrastructure - Electricity	3 732	1 901	3 883	800	3 040	3 680	3 230	3 410
Infrastructure - Water	1 241	7 986	45	850	750	720	3 670	2 200
Infrastructure - Sanitation	8 091	9 068	7 501	–	709	3 000	–	1 250
Infrastructure - Other	8 064	9 999	–	20	1 720	300	1 200	600
Infrastructure	24 790	36 927	23 311	9 078	15 199	13 306	23 100	23 825
Community	44	2 344	5 315	3 175	2 570	5 576	2 263	1 571
Heritage assets	–	–	2 423	–	–	–	–	–
Investment properties	426	–	–	–	–	–	–	–
Other assets	7 034	3 930	1 939	1 924	2 525	4 369	7 033	2 904
Intangibles	43	452	166	523	860	–	200	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>32 338</b>	<b>43 653</b>	<b>33 154</b>	<b>14 701</b>	<b>21 154</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>								
Infrastructure - Road transport	45 728	52 355	62 017	67 583	69 362	73 432	86 821	101 500
Infrastructure - Electricity	35 258	35 930	38 827	31 649	40 993	43 391	45 277	47 279
Infrastructure - Water	23 591	30 767	29 890	29 501	29 844	29 520	32 096	33 150
Infrastructure - Sanitation	28 672	36 903	43 718	41 045	43 602	45 755	44 868	45 188
Infrastructure - Other	946	872	843	700	786	1 012	2 135	2 654
Infrastructure	134 195	156 827	175 295	170 479	184 587	193 109	211 196	229 770
Community	7 336	9 448	13 877	16 503	16 232	21 576	23 597	24 914
Heritage assets	-	-	-	-	-	-	-	-
Investment properties	41 626	40 733	40 694	35 704	40 692	40 683	40 674	40 666
Other assets	93 132	88 571	87 301	85 079	87 468	89 106	93 277	93 183
Agricultural Assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Intangibles	114	520	565	971	1 385	1 263	1 341	1 219
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>276 403</b>	<b>296 099</b>	<b>317 732</b>	<b>308 736</b>	<b>330 364</b>	<b>345 738</b>	<b>370 086</b>	<b>389 752</b>
<b>EXPENDITURE OTHER ITEMS</b>								
<u>Depreciation &amp; asset impairment</u>	6 096	7 437	10 729	6 945	9 037	8 289	8 660	9 046
<u>Repairs and Maintenance by Asset Class</u>	7 862	8 697	10 057	10 063	10 523	10 811	11 385	13 185
Infrastructure - Road transport	1 512	1 773	1 605	1 524	1 584	1 175	1 244	1 317
Infrastructure - Electricity	749	1 089	1 145	855	800	823	833	825
Infrastructure - Water	958	989	1 052	1 368	1 368	950	980	1 020
Infrastructure - Sanitation	474	379	435	496	496	420	438	446
Infrastructure - Other	-	-	-	-	-	620	658	742
Infrastructure	3 692	4 230	4 237	4 243	4 248	3 988	4 152	4 350
Community	-	-	-	-	-	785	853	896
Heritage assets	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Other assets	4 170	4 467	5 820	5 820	6 275	6 039	6 380	7 940
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>13 957</b>	<b>16 134</b>	<b>20 786</b>	<b>17 008</b>	<b>19 560</b>	<b>19 100</b>	<b>20 044</b>	<b>22 231</b>
<i>Renewal of Existing Assets as % of total capex</i>	71.9%	53.8%	52.2%	60.5%	59.0%	41.6%	31.3%	37.1%
<i>Renewal of Existing Assets as % of deprecn"</i>	381.3%	315.9%	161.4%	128.0%	138.1%	116.8%	117.8%	116.2%
<i>R&amp;M as a % of PPE</i>	3.4%	3.4%	3.6%	3.7%	3.7%	3.6%	3.5%	3.8%
<i>Renewal and R&amp;M as a % of PPE</i>	11.0%	11.0%	9.0%	6.0%	7.0%	6.0%	6.0%	6.0%

### Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.

**Table 15 MBRR Table A10 - Basic Service Delivery Measurement**

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Household service targets</u></b>								
<b><u>Water:</u></b>								
Piped water inside dwelling	7 463	7 762	7 903	7 903	7 903	8 298	8 298	8 298
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	2	2	2	2	2	2	2
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	7 465	7 764	7 905	7 905	7 905	8 300	8 300	8 300
Using public tap (< min.service level)	804	804	834	834	834	876	876	876
Other water supply (< min.service level)	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	804	804	834	834	834	876	876	876
<b>Total number of households</b>	<b>8 269</b>	<b>8 568</b>	<b>8 739</b>	<b>8 739</b>	<b>8 739</b>	<b>9 176</b>	<b>9 176</b>	<b>9 176</b>
<b><u>Sanitation/sewerage:</u></b>								
Flush toilet (connected to sewerage)	4 276	5 311	5 485	5 485	5 485	5 759	5 759	5 759
Flush toilet (with septic tank)	3 068	2 993	3 004	3 004	3 004	3 154	3 154	3 154
Chemical toilet	1	1	1	1	1	1	1	1
Pit toilet (ventilated)	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	7 345	8 305	8 490	8 490	8 490	8 914	8 914	8 914
Bucket toilet	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	804	804	834	834	834	876	876	876
No toilet provisions	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	804	804	834	834	834	876	876	876
<b>Total number of households</b>	<b>8 149</b>	<b>9 109</b>	<b>9 324</b>	<b>9 324</b>	<b>9 324</b>	<b>9 790</b>	<b>9 790</b>	<b>9 790</b>
<b><u>Energy:</u></b>								
Electricity (at least min.service level)	4 376	4 207	4 290	4 290	4 290	4 505	4 505	4 505
Electricity - prepaid (min.service level)	3 036	3 554	3 975	3 975	3 975	4 174	4 174	4 174
<i>Minimum Service Level and Above sub-total</i>	7 412	7 761	8 265	8 265	8 265	8 679	8 679	8 679
Electricity (< min.service level)	804	804	834	834	834	876	876	876
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	804	804	834	834	834	876	876	876
<b>Total number of households</b>	<b>8 216</b>	<b>8 565</b>	<b>9 099</b>	<b>9 099</b>	<b>9 099</b>	<b>9 555</b>	<b>9 555</b>	<b>9 555</b>
<b><u>Refuse:</u></b>								
Removed at least once a week	8 169	8 851	9 021	9 021	9 021	9 472	9 472	9 472
<i>Minimum Service Level and Above sub-total</i>	8 169	8 851	9 021	9 021	9 021	9 472	9 472	9 472
Removed less frequently than once a week	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–
Using own refuse dump	804	804	834	834	834	876	876	876
Other rubbish disposal	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	804	804	834	834	834	876	876	876
<b>Total number of households</b>	<b>8 973</b>	<b>9 655</b>	<b>9 855</b>	<b>9 855</b>	<b>9 855</b>	<b>10 348</b>	<b>10 348</b>	<b>10 348</b>

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Households receiving Free Basic Service</u></b>								
Water (6 kilolitres per household per month)	7 400	7 762	7 903	7 903	7 903	8 298	8 298	8 298
Sanitation (free minimum level service)	2 781	2 343	2 418	2 418	2 418	2 539	2 539	2 539
Electricity /other energy (50kwh per household per month)	9 400	2 343	2 418	2 418	2 418	2 539	2 539	2 539
Refuse (removed at least once a week)	2 781	2 343	2 418	2 418	2 418	2 539	2 539	2 539
<b><u>Cost of Free Basic Services provided (R'000)</u></b>								
Water (6 kilolitres per household per month)	642	2 280	2 439	2 439	2 439	3	3	3
Sanitation (free sanitation service)	1 519	1 786	2 000	2 000	2 000	2	2	2
Electricity /other energy (50kwh per household per month)	2 225	773	834	834	834	1	1	1
Refuse (removed once a week)	228	2 065	2 230	2 230	2 230	2	2	2
<b>Total cost of FBS provided (minimum social package)</b>	<b>4 614</b>	<b>6 904</b>	<b>7 503</b>	<b>7 503</b>	<b>7 503</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b><u>Highest level of free service provided</u></b>								
Property rates (R value threshold)	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)	–	–	–	–	–	–	–	–
Electricity (kw h per household per month)	50	50	50	50	50	50	50	50
Refuse (average litres per week)	–	–	–	–	–	–	–	–
<b><u>Revenue cost of free services provided (R'000)</u></b>								
Property rates (R15 000 threshold rebate)	–	–	–	–	–	–	–	–
Property rates (other exemptions, reductions and rebates)	126	126	150	181	181	160	168	176
Water	594	2 280	2 439	2 439	2 439	3	3	3
Sanitation	1 406	1 640	2 000	2 000	2 000	2	2	2
Electricity /other energy	1 935	103	834	834	834	1	1	1
Refuse	211	247	2 230	2 230	2 230	2	2	2
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
<b>Total revenue cost of free services provided (total social package)</b>	<b>4 273</b>	<b>4 395</b>	<b>7 653</b>	<b>7 684</b>	<b>7 684</b>	<b>168</b>	<b>176</b>	<b>184</b>

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

#### **POLITICAL OVERSIGHT OF THE BUDGET PROCESS**

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans. The mayoral committee is one of the key elements in accomplishing the linkage between the IDP and the Budget of a municipality.

#### **SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS**

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP and budget-related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP. These key dates are available on the website of the municipality

#### **PURPOSE OF THE BUDGET AND IDP PROCESS PLAN**

The purpose of the process plan is to indicate the various planned activities and strategies on which the municipality will embark to compose its Integrated Development Plan for the five year cycle (2013/2014-2017/2018) and the budget for the 2015/2016 financial year and the two outer years.

The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget. It fulfils the role of an operational framework for the IDP and Budget process outlining the manner in which this process was undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

##### **2.1.1 IDP and Service Delivery and Budget Implementation Plan**

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

### **2.1.2 Community Consultation**

A full consultation process will be carried out during April 2015. During this process members of the community will be afforded the opportunity to provide inputs and comments on the draft budget presented to them. The comments and inputs will be reviewed and where viable the proposed changes will be incorporated into the final budget to be approved by Council at the end of May 2015.

## **2.2 Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The 2015/16 MTREF has therefore been directly informed by the IDP process and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 16 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
			R thousand							
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	59 292	79 274	61 675	20 320	20 327	13 309	14 780	16 417
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	3 083	3 261	212	85	99	11 586	11 027	11 412
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	C	60 539	65 680	71 612	76 821	80 017	85 961	92 213	98 935
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	D	14 986	16 392	17 163	20 422	20 422	21 085	22 666	24 366
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	E	5 520	6 435	7 656	8 568	9 277	9 569	10 283	11 052
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	F	8 981	9 806	10 773	13 316	13 316	14 556	15 283	16 047
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	G	–	5	–	11 033	11 033	–	–	–
Environmental Protection	The allocation of sufficient funds to the protection and conservation of the municipal area	H	–	–	–	–	–	–	–	–
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	I	3 955	4 975	6 295	24 826	29 005	7 178	25 538	42 248
Financial Viability	To create and maintain public areas, sportsfields and resorts for the benefit of the community.	J	3 932	3 992	4 254	4 624	4 729	4 515	4 562	4 823
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	K	35 963	37 889	42 714	46 874	47 505	55 368	58 021	60 950
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	L	881	896	618	84	1 330	2 170	2 282	2 385
Safety & Security	To create a safe and secure environment by providing traffic and related services.	M	2 710	2 868	3 455	2 942	3 792	3 599	3 798	3 974
Total Revenue (excluding capital transfers and contributions)			199 842	231 473	226 427	229 916	240 851	228 895	260 453	292 609



**Table 17 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	52 082	53 766	43 090	19 599	21 735	16 271	17 235	18 018
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	11 909	13 374	9 896	11 005	11 305	14 190	17 870	19 011
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	C	50 734	57 034	61 943	69 692	71 380	81 379	87 276	93 675
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	D	9 305	10 813	12 182	12 876	13 038	12 247	12 874	13 538
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	E	5 334	6 101	6 911	6 895	7 201	6 889	7 288	7 712
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	F	7 350	8 420	11 952	11 223	13 016	12 579	13 180	13 793
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	G	1 902	2 116	2 306	4 461	4 913	–	–	–
	The allocation of sufficient funds to the protection and conservation of the municipal area	H	331	383	393	573	328	293	315	335
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	I	10 313	10 155	12 574	31 292	34 360	15 775	36 101	53 546
Financial Viability	To create and maintain public areas, sportsfields and resorts for the benefit of the community.	J	5 684	6 709	6 979	9 056	8 590	8 340	8 827	10 601
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	K	18 749	24 862	27 512	26 547	28 715	31 204	34 433	35 300
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	L	14 097	20 393	17 195	16 851	19 730	21 797	28 000	30 243
Safety & Security	To create a safe and secure environment by providing traffic and related services.	M	4 979	5 449	6 601	6 410	7 804	9 158	9 631	10 160
Total Expenditure			192 768	219 575	219 535	226 480	242 116	230 122	273 031	305 931

**Table 18 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	557	14	2 585	57	123	-	-	-
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	4 057	8 358	9 459	7 488	9 040	6 136	15 615	16 365
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	C	3 796	1 927	2 168	850	3 081	3 700	3 250	3 430
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	D	1 931	8 352	45	900	800	735	3 670	2 200
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	E	8 151	9 113	8 150	50	759	4 065	800	1 250
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	F	9 011	10 773	2 501	280	1 985	430	3 750	600
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	G	15	-	-	85	74	-	-	-
	Environmental Protection	The allocation of sufficient funds to the protection and conservation of the municipal area	H	-	-	-	-	-	-	-
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	I	1 581	2 589	6 470	1 643	1 413	4 605	2 144	1 071
	To create and maintain public areas, sportsfields and resorts for the benefit of the community.	J	967	1 088	1 179	2 094	2 608	1 349	1 575	1 280
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	K	1 227	628	593	925	867	18	76	30
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	L	480	296	3	305	385	1 742	1 123	447
Safety & Security	To create a safe and secure environment by providing traffic and related services.	M	564	513	-	24	20	472	594	1 627
Total Capital Expenditure			32 338	43 653	33 154	14 701	21 154	23 251	32 596	28 300

## Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Vote 1 - vote name</b>										
<b>Function 1 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 2 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Sub-function 3 - (name)</b>										
<i>Insert measure/s description</i>										
<b>Function 2 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
<i>Insert measure/s description</i>										

The following table sets out the municipalities main performance objectives and benchmarks for the 2015/16 MTREF.

**Table 19 MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Borrowing Management</u></b>									
Credit Rating		n/a	n/a	n/a	n/a	n/a			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.5%	0.5%	0.7%	0.7%	0.7%	1.5%	1.7%	1.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.7%	0.7%	1.0%	0.9%	1.0%	1.8%	2.4%	2.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	3.0%	0.2%	0.9%	0.0%	0.0%	31.6%	62.1%	34.1%
<b><u>Safety of Capital</u></b>									
Gearing	Long Term Borrowing/ Funds & Reserves	4.7%	3.5%	3.2%	1.6%	5.2%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>									
Current Ratio	Current assets/current liabilities	2.3	2.1	1.5	1.9	1.3	0.9	0.5	0.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.3	2.1	1.2	1.3	0.7	0.4	0.2	0.2
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	1.2	0.8	0.7	0.2	–	–	–
<b><u>Revenue Management</u></b>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		95.4%	98.3%	93.2%	96.1%	95.3%	95.5%	95.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		95.4%	98.3%	93.2%	96.1%	95.3%	95.5%	95.6%	95.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	7.8%	7.6%	8.8%	9.6%	10.0%	11.9%	11.8%	11.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		25.9%	25.1%	33.7%	58.1%	162.2%	-89.9%	-27.1%	-17.1%
<b><u>Other Indicators</u></b>									
Electricity Distribution Losses (2)	Total Volume Losses (kW)	6 448 709	6 999 175	6 203 948	6 000 000	6 000 000	6 000 000	6 000 000	6 000 000
	Total Cost of Losses (Rand '000)	2 773	3 163	3 346	3 000	3 000	3 000	3 000	3 000
	% Volume (units purchased and generated less units sold)/units purchased and generated	9.04%	9.93%	8.65%	9.00%	9.00%	9.00%	9.00%	9.00%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	373 115	491 619	523 186	500 000	500 000	500 000	500 000	500 000
	Total Cost of Losses (Rand '000)	392	605	669	600	600	600	600	600
	% Volume (units purchased and generated less units sold)/units purchased and generated	16.89%	20.80%	22.53%	20%	20.00%	20.00%	20.00%	20.00%
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.2%	33.5%	34.9%	36.0%	35.0%	39.1%	40.5%	38.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.7%	35.0%	36.5%	37.4%	36.4%	40.9%	42.1%	39.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.1%	4.2%	4.8%	4.6%	4.6%	5.0%	4.6%	4.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	3.4%	3.9%	5.6%	3.7%	4.6%	5.2%	4.7%	4.3%
<b><u>IDP regulation financial viability indicators</u></b>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	43.2	46.8	59.3	60.2	60.2	40.0	39.0	41.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11.6%	11.3%	12.2%	12.7%	13.4%	14.4%	15.3%	16.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.2	1.9	1.6	0.9	0.3	(0.5)	(1.6)	(2.8)

## Performance indicators and benchmarks

### 2.2.1.1 *Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position.

### 2.2.1.2 *Safety of Capital*

*The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

### 2.2.1.3 *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

### 2.2.1.4 *Revenue Management*

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Payment levels and credit control is considered to be favorable.

### 2.2.1.5 *Creditors Management*

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice or statement. This has had a favorable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

### 2.2.1.6 *Other Indicators*

- Employee costs as a percentage of operating revenue remains relatively high over the MTREF as discussed previously in this report.
- Repairs and maintenance as percentage of operating revenue is constant over the MTREF. This percentage is indicative of insufficient allocations made towards the maintenance of assets.

## 2.3 Overview of budget related-policies

There are no amendments made to any budget related policies during the current year. All policies are in process of being reviewed. If needed, any policy changes will be taken to Council during May 2015.

## 2.4 Overview of budget assumptions

### 2.4.1 External factors

The recovery rate of debtors is currently 96.3 per cent.

### 2.4.2 General inflation outlook and its impact on the municipal activities

The inflation outlook for South Africa is indicated below and has been taken into consideration in the compilation of the 2015/16 MTREF.

Fiscal year	2014 Actual	2015 Estimate	2016	2017 Forecast	2018
Real GDP growth	2.2	1.4	2.0	2.6	3.0
CPI Inflation	5.8	5.6	4.8	5.9	5.6

Source: Budget Review 2015

A low oil price is contributing to the lower rate of inflation. However, the lower oil price is partially offset by the weakening in the Rand vs the Dollar.

### 2.4.3 Credit rating outlook

The credit outlook of South Africa remained under pressure. The current electricity crisis in South Africa is a large contributing factor to this pressure, as the uncertainties surrounding the supply of electricity is negatively impacting on any possible growth opportunities.

### Interest rates for borrowing and investment of funds

On 30 January 2014 the South African Reserve Bank increased its lending rate by 50 basis points. On 18 July 2014 the lending rate was increased by a further 25 basis points. The inflation rate is currently within the target range of the South African Reserve Bank (3 % – 6 %) and it is not expected that interest will go up any further in the near future.

### 2.4.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage of annual billings. Cash flow is assumed to be 96.3 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

#### **2.4.5 Growth or decline in tax base of the municipality**

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

#### **2.4.6 Salary increases**

The Salary and Wage Collective Agreement for the period 01 July 2012 to 30 June 2015 has come to an end. The South African Local Government Association issued a press release on 03 March 2015 indicating that it tabled the following offer for salaries and wages increase:

- 2015/16 Financial Year – 4.4 per cent (inflation linked)
- 2016/17 and 2017/18 Financial Years – inflation related increase plus additional 0.25 per cent

As the negotiations are still underway, municipalities are advised to use the above proposed guidelines in preparing their 2015/16 budgets.

#### **2.4.7 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between

policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

## 2.4.8 Ability of the municipality to spend and deliver on the programmes

It is estimated, based on prior year's performance and current spending trends, that both capital and operating expenditure will be no less than 95 per cent of the budgeted amounts.

## 2.5 Overview of budget funding

### 2.5.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	32 427	34 763	39 325	42 304	42 783	49 956	52 454	55 077
Service charges	88 886	97 136	104 594	115 731	118 927	120 436	129 572	139 365
Investment revenue	2 224	2 050	1 889	1 666	1 741	1 970	2 069	2 172
Transfers recognised - operational	57 579	62 567	50 775	47 665	50 671	30 290	49 172	68 946
Other own revenue	10 979	11 244	14 407	11 479	12 378	12 779	13 426	14 084
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>192 095</b>	<b>207 760</b>	<b>210 990</b>	<b>218 845</b>	<b>226 499</b>	<b>215 431</b>	<b>246 693</b>	<b>279 643</b>

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation, solid waste removal, property rates, operating grants and other minor charges (such as building plan fees, licenses and permits etc.).

Investment revenue contributes marginally to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

All investments are transferred to the current account at year-end. However, excess cash is invested periodically to ensure maximum return.

### 2.5.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial



management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table 20 MBRR Table A7 - Budget cash flow statement**

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates, penalties & collection charges	31 227	33 477	37 870	40 739	41 200	48 108	50 513	53 039
Service charges	85 597	93 542	100 724	111 449	114 526	115 980	124 778	134 209
Other revenue	9 327	13 622	8 993	10 781	10 200	10 886	11 473	12 047
Government - operating	60 327	63 697	52 700	47 665	46 725	30 290	49 172	68 946
Government - capital	8 592	23 712	17 099	11 071	12 921	13 464	13 761	12 965
Interest	2 779	2 712	2 660	2 390	2 541	2 740	2 877	3 021
<b>Payments</b>								
Suppliers and employees	(181 983)	(198 206)	(191 298)	(212 682)	(223 393)	(210 376)	(249 890)	(281 837)
Finance charges	(351)	(665)	(1 142)	(1 242)	(114)	(1 558)	(1 613)	(1 630)
Transfers and Grants	-	-	-	-	-	(1 539)	(1 570)	(1 601)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>15 516</b>	<b>31 892</b>	<b>27 606</b>	<b>10 170</b>	<b>4 607</b>	<b>7 995</b>	<b>(499)</b>	<b>(840)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	367	230	-	-	-	-	-	-
Decrease (increase) other non-current receivable	33	29	33	6	7	6	6	6
Decrease (increase) in non-current investments	-	(377)	(21)	-	-	-	-	-
<b>Payments</b>								
Capital assets	(23 082)	(33 700)	(30 731)	(14 701)	(21 154)	(23 251)	(32 596)	(28 300)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(22 683)</b>	<b>(33 818)</b>	<b>(30 720)</b>	<b>(14 695)</b>	<b>(21 148)</b>	<b>(23 245)</b>	<b>(32 590)</b>	<b>(28 294)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Borrowing long term/refinancing	731	44	168	-	-	3 090	11 690	5 235
Increase (decrease) in consumer deposits	272	260	231	213	255	273	292	312
<b>Payments</b>								
Repayment of borrowing	(635)	(399)	(440)	(311)	(304)	(494)	(1 755)	(2 043)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>368</b>	<b>(96)</b>	<b>(42)</b>	<b>(98)</b>	<b>(49)</b>	<b>2 868</b>	<b>10 227</b>	<b>3 505</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(6 798)</b>	<b>(2 022)</b>	<b>(3 155)</b>	<b>(4 623)</b>	<b>(16 590)</b>	<b>(12 382)</b>	<b>(22 861)</b>	<b>(25 630)</b>
Cash/cash equivalents at the year begin:	33 383	26 585	24 562	18 066	21 407	4 818	(7 564)	(30 425)
Cash/cash equivalents at the year end:	26 585	24 562	21 407	13 443	4 818	(7 564)	(30 425)	(56 056)

### 2.5.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 21 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>Cash and investments available</b>								
Cash/cash equivalents at the year end	26 585	24 562	21 407	13 443	4 818	(7 564)	(30 425)	(56 056)
Other current investments > 90 days	0	0	–	–	0	–	–	–
Non current assets - Investments	–	135	45	140	45	45	45	45
<b>Cash and investments available:</b>	<b>26 585</b>	<b>24 698</b>	<b>21 452</b>	<b>13 583</b>	<b>4 863</b>	<b>(7 519)</b>	<b>(30 380)</b>	<b>(56 010)</b>
<b>Application of cash and investments</b>								
Unspent conditional transfers	1 517	2 351	5 529	419	153	153	153	153
Other working capital requirements	(7 469)	(9 308)	(9 998)	(12 463)	(13 785)	(17 743)	(19 515)	(21 577)
Reserves to be backed by cash/investments	22 000	18 500	15 750	13 000	4 800	–	–	–
<b>Total Application of cash and investments:</b>	<b>16 048</b>	<b>11 543</b>	<b>11 281</b>	<b>956</b>	<b>(8 832)</b>	<b>(17 589)</b>	<b>(19 362)</b>	<b>(21 424)</b>
<b>Surplus(shortfall)</b>	<b>10 537</b>	<b>13 155</b>	<b>10 171</b>	<b>12 628</b>	<b>13 695</b>	<b>10 070</b>	<b>(11 019)</b>	<b>(34 587)</b>

From the above table it is clear that the municipality will not be cash funded for the entire MTREF. The surplus indicated above for 2015/2016 only supported by a positive working capital balance. This positive working capital balance is the result of the municipality's commitment to settle outstanding creditor balances on a timely basis. Creditor balances are thus always very low when compared to the current assets which include receivables.

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily,

unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges.

## 2.5.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**Table 22 MBRR SA10 – Funding compliance measurement**

Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	26 585	24 562	21 407	13 443	4 818	4 818	4 818	(7 564)	(30 425)	(56 056)
Cash + investments at the yr end less applications - R'000	18(1)b	2	10 537	13 155	10 171	12 628	13 695	13 695	13 695	10 070	(11 019)	(34 587)
Cash year end/monthly employee/supplier payments	18(1)b	3	2.2	1.9	1.6	0.9	0.3	0.3	0.3	(0.5)	(1.6)	(2.8)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	7 074	11 897	6 893	3 436	(1 265)	(1 265)	(1 265)	(1 227)	(12 577)	(13 323)
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	2.7%	3.1%	3.8%	(3.7%)	(6.0%)	(6.0%)	(0.6%)	0.8%	0.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	95.4%	98.3%	93.2%	96.1%	95.3%	95.3%	95.3%	95.5%	95.6%	95.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.8%	1.7%	2.1%	0.7%	2.0%	2.0%	2.0%	2.6%	2.5%	2.5%
Capital payments % of capital expenditure	18(1)c,19	8	71.4%	77.2%	92.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	3.0%	0.2%	0.9%	0.0%	0.0%	0.0%	0.0%	31.6%	62.1%	34.1%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	4.9%	17.8%	14.3%	7.7%	0.0%	0.0%	13.6%	13.2%	12.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(7.8%)	(9.4%)	6.4%	(7.8%)	0.0%	0.0%	(1.9%)	(2.0%)	(2.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	13	3.4%	3.4%	3.6%	3.7%	3.7%	3.7%	3.8%	3.6%	3.5%	3.8%
Asset renewal al % of capital budget	20(1)(vi)	14	71.9%	53.8%	52.2%	60.5%	59.0%	59.0%	0.0%	41.6%	31.3%	37.1%

### 2.5.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

### 2.5.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is

intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *2.5.4.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

#### *2.5.4.4 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *2.5.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

#### *2.5.4.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 95 per cent performance target, the cash flow statement has been conservatively determined when compared to actual results in 2013/2014. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

*2.5.4.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

*2.5.4.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

*2.5.4.9 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding.

*2.5.4.10 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

*2.5.4.11 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. .

*2.5.4.12 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

## 2.6 Expenditure on grants and reconciliations of unspent funds

**Table 23 MBRR SA19 - Expenditure on transfers and grant programmes**

Description  R thousand	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>EXPENDITURE:</b>					
<b><u>Operating expenditure of Transfers and Grants</u></b>					
<b>National Government:</b>	<b>24 620</b>	<b>22 857</b>	<b>23 601</b>	<b>24 428</b>	<b>27 093</b>
Local Government Equitable Share	19 386	19 386	20 679	22 195	23 939
Finance Management	1 175	1 175	1 230	1 475	1 550
Municipal Systems Improvement	146	649	150	207	1 033
Municipal Infrastructure (MIG)	793	527	542	551	571
EPWP Incentive	1 120	1 120	1 000	–	–
INEG	2 000	–	–	–	–
<b>Provincial Government:</b>	<b>23 046</b>	<b>27 814</b>	<b>6 689</b>	<b>24 744</b>	<b>41 853</b>
Housing	18 590	22 466	2 300	20 450	37 120
Community Development Workers	70	140	54	57	60
Subsidy Main Roads	60	60	73	–	–
Subsidy Libraries	4 157	4 157	4 250	4 052	4 673
Thusong Centre	169	181	12	185	–
Provincial Financial Grant	–	810	–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>	<b>47 665</b>	<b>50 671</b>	<b>30 290</b>	<b>49 172</b>	<b>68 946</b>
<b><u>Capital expenditure of Transfers and Grants</u></b>					
<b>National Government:</b>	<b>10 802</b>	<b>12 565</b>	<b>13 245</b>	<b>13 225</b>	<b>12 840</b>
Municipal Infrastructure (MIG)	9 739	10 005	10 245	10 475	10 840
Finance Management	275	275	220	–	–
Municipal Systems Improvement	788	285	780	750	–
INEG	–	2 000	2 000	2 000	2 000
<b>Provincial Government:</b>	<b>269</b>	<b>1 786</b>	<b>220</b>	<b>536</b>	<b>125</b>
Sport and Recreation	–	100	–	–	–
Housing	–	709	–	–	–
Subsidy Libraries	216	937	21	475	125
Thusong Centre	53	40	199	61	–
<b>Total capital expenditure of Transfers and Grants</b>	<b>11 071</b>	<b>14 352</b>	<b>13 464</b>	<b>13 761</b>	<b>12 965</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>58 736</b>	<b>65 022</b>	<b>43 754</b>	<b>62 933</b>	<b>81 911</b>

**Table 24 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description  R thousand	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Operating transfers and grants:</u></b>					
<b>National Government:</b>					
Balance unspent at beginning of the year	–	–	–	–	–
Current year receipts	24 620	22 857	23 601	24 428	27 093
<b>Conditions met - transferred to revenue</b>	<b>24 620</b>	<b>22 857</b>	<b>23 601</b>	<b>24 428</b>	<b>27 093</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–
<b>Provincial Government:</b>					
Balance unspent at beginning of the year	–	4 099	153	153	153
Current year receipts	23 046	23 868	6 689	24 744	41 853
<b>Conditions met - transferred to revenue</b>	<b>23 046</b>	<b>27 814</b>	<b>6 689</b>	<b>24 744</b>	<b>41 853</b>
Conditions still to be met - transferred to liabilities	–	153	153	153	153
<b>Other grant providers:</b>					
Balance unspent at beginning of the year	419	–	–	–	–
Current year receipts	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	419	–	–	–	–
<b>Total operating transfers and grants revenue</b>	<b>47 665</b>	<b>50 671</b>	<b>30 290</b>	<b>49 172</b>	<b>68 946</b>
<b>Total operating transfers and grants - CTBM</b>	<b>419</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>153</b>
<b><u>Capital transfers and grants:</u></b>					
<b>National Government:</b>					
Balance unspent at beginning of the year	–	–	–	–	–
Current year receipts	10 802	12 565	13 245	13 225	12 840
<b>Conditions met - transferred to revenue</b>	<b>10 802</b>	<b>12 565</b>	<b>13 245</b>	<b>13 225</b>	<b>12 840</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–
<b>Provincial Government:</b>					
Balance unspent at beginning of the year	–	1 430	–	–	–
Current year receipts	269	356	220	536	125
<b>Conditions met - transferred to revenue</b>	<b>269</b>	<b>1 786</b>	<b>220</b>	<b>536</b>	<b>125</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–
<b>Total capital transfers and grants revenue</b>	<b>11 071</b>	<b>14 352</b>	<b>13 464</b>	<b>13 761</b>	<b>12 965</b>
<b>Total capital transfers and grants - CTBM</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>58 736</b>	<b>65 022</b>	<b>43 754</b>	<b>62 933</b>	<b>81 911</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>419</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>153</b>

## 2.7 Allocations and Grants made by the municipality

The following contributions are projected over the MTREF:

Description R thousand	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Cash Transfers to Entities/Other External Mechanisms</u></b>			
CONTRIBUTION - ELIM COMMUNITY	300	300	300
CONTRIBUTION - KASSIEBAAI COMMUNITY	120	120	120
CONTRIBUTION - SHIPWRECK MUSEUM	50	50	50
CONTRIBUTION - TOURISM BURO	780	800	820
CONTRIBUTION - OVERBERG RADIO	75	75	75
OTHER CONTRIBUTIONS	214	225	236
<b>Total Cash Transfers To Entities/Ems'</b>	<b>1 539</b>	<b>1 570</b>	<b>1 601</b>
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>1 539</b>	<b>1 570</b>	<b>1 601</b>



## 2.8 Councilor and employee benefits

**Table 25 MBRR SA22 - Summary of councilor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	2011/12	2012/13	2013/14	2015/16 Medium Term Revenue & Expenditure Framework				
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Councillors (Political Office Bearers plus Other)</u></b>								
Basic Salaries and Wages	1 800	1 903	2 000	2 136	2 136	2 299	2 426	2 561
Pension and UIF Contributions	276	299	314	335	335	345	364	384
Motor Vehicle Allowance	695	733	765	817	817	874	922	973
Cellphone Allowance	134	141	209	223	223	239	252	266
Other benefits and allowances	–	–	–	–	–	4	4	5
<b>Sub Total - Councillors</b>	<b>2 907</b>	<b>3 077</b>	<b>3 288</b>	<b>3 511</b>	<b>3 511</b>	<b>3 760</b>	<b>3 968</b>	<b>4 188</b>
<b>% increase</b>		<b>5.8%</b>	<b>6.9%</b>	<b>6.8%</b>	<b>(0.0%)</b>	<b>7.1%</b>	<b>5.5%</b>	<b>5.5%</b>
<b><u>Senior Managers of the Municipality</u></b>								
Basic Salaries and Wages	2 907	2 597	3 123	3 753	3 753	4 094	4 355	4 632
Pension and UIF Contributions	535	589	575	746	746	746	780	816
Medical Aid Contributions	137	–	153	–	–	214	229	245
Performance Bonus	479	421	428	484	484	629	673	720
Motor Vehicle Allowance	398	192	481	479	479	416	442	470
Other benefits and allowances	104	66	114	76	76	80	85	90
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 560</b>	<b>3 865</b>	<b>4 873</b>	<b>5 539</b>	<b>5 539</b>	<b>6 179</b>	<b>6 564</b>	<b>6 973</b>
<b>% increase</b>		<b>(15.3%)</b>	<b>26.1%</b>	<b>13.7%</b>	<b>–</b>	<b>11.6%</b>	<b>6.2%</b>	<b>6.2%</b>
<b><u>Other Municipal Staff</u></b>								
Basic Salaries and Wages	42 287	44 130	46 000	48 135	48 374	51 909	64 405	68 984
Pension and UIF Contributions	5 515	5 746	6 605	7 408	7 372	9 115	9 753	10 436
Medical Aid Contributions	1 896	2 113	2 278	2 591	2 591	2 557	2 736	2 927
Overtime	2 044	2 380	2 978	2 628	2 634	2 434	2 611	2 808
Performance Bonus	–	–	–	(484)	(484)	–	–	–
Motor Vehicle Allowance	3 047	3 669	3 799	4 174	4 087	3 765	3 849	3 849
Cellphone Allowance	–	–	–	–	–	237	237	237
Housing Allowances	375	384	386	437	437	542	2 019	2 151
Other benefits and allowances	1 878	2 150	2 194	2 511	2 506	2 560	2 636	2 810
Payments in lieu of leave	587	1 391	79	500	400	500	500	500
Long service awards	603	659	669	727	780	689	750	790
Post-retirement benefit obligations	2 907	3 205	3 818	4 222	4 652	3 770	3 850	4 100
<b>Sub Total - Other Municipal Staff</b>	<b>61 138</b>	<b>65 827</b>	<b>68 807</b>	<b>72 849</b>	<b>73 349</b>	<b>78 077</b>	<b>93 346</b>	<b>99 591</b>
<b>% increase</b>		<b>7.7%</b>	<b>4.5%</b>	<b>5.9%</b>	<b>0.7%</b>	<b>6.4%</b>	<b>19.6%</b>	<b>6.7%</b>
<b>Total Parent Municipality</b>	<b>68 606</b>	<b>72 769</b>	<b>76 967</b>	<b>81 898</b>	<b>82 398</b>	<b>88 016</b>	<b>103 878</b>	<b>110 753</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>68 606</b>	<b>72 769</b>	<b>76 967</b>	<b>81 898</b>	<b>82 398</b>	<b>88 016</b>	<b>103 878</b>	<b>110 753</b>
<b>% increase</b>		<b>6.1%</b>	<b>5.8%</b>	<b>6.4%</b>	<b>0.6%</b>	<b>6.8%</b>	<b>18.0%</b>	<b>6.6%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>65 699</b>	<b>69 692</b>	<b>73 679</b>	<b>78 387</b>	<b>78 888</b>	<b>84 256</b>	<b>99 910</b>	<b>106 564</b>

**Table 26 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum							2.
<b><u>Councillors</u></b>							
Speaker							-
Chief Whip							-
Executive Mayor							-
Deputy Executive Mayor							-
Executive Committee							-
Total for all other councillors							-
<b>Total Councillors</b>	-	-	-	-			-
<b><u>Senior Managers of the Municipality</u></b>							
Municipal Manager (MM)		1 075 540	262 925	77 040	159 090		1 574 595
Chief Finance Officer		830 500	193 775	128 400	118 270		1 270 945
Corporate Services		723 130	192 935	77 590	117 210		1 110 865
Community Services		734 240	195 225	64 200	117 210		1 110 875
Infrastructure Services		730 810	195 181	68 330	117 210		1 111 531
<b>Total Senior Managers of the Municipality</b>	-	<b>4 094 220</b>	<b>1 040 041</b>	<b>415 560</b>	<b>628 990</b>		<b>6 178 811</b>

**Table 27 MBRR SA24 – Summary of personnel numbers**

Summary of Personnel Numbers		2013/14			Current Year 2014/15			Budget Year 2015/16		
Number		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Council Members)		9			9					
Board Members of municipal entities										
<b>Municipal employees</b>										
Municipal Manager and Senior Managers		6	1	5	6	1	5			
Other Managers		18	16	–	22	20	–			
Professionals		230	177	10	239	186	10	–	–	–
<i>Finance</i>		41	34	5	44	37	5			
<i>Spatial/town planning</i>		10	8	1	10	8	1			
<i>Information Technology</i>		1	1	–	1	1	–			
<i>Roads</i>		48	32	2	48	32	2			
<i>Electricity</i>		21	18	–	23	20	–			
<i>Water</i>		59	51	2	63	55	2			
<i>Sanitation</i>		50	33	–	50	33	–			
<i>Refuse</i>										
<i>Other</i>										
Technicians		–	–	–	–	–	–	–	–	–
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Clerks (Clerical and administrative)		181	123	15	182	124	15			
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades		62	40	1	62	40	1			
Plant and Machine Operators										
Elementary Occupations		132	105	7	132	105	7			
<b>TOTAL PERSONNEL NUMBERS</b>		<b>638</b>	<b>462</b>	<b>38</b>	<b>652</b>	<b>476</b>	<b>38</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase</b>					2.2%	3.0%	–	(100.0%)	(100.0%)	(100.0%)
<b>Total municipal employees headcount</b>										
Finance personnel headcount										
Human Resources personnel headcount										

## 2.9 Monthly targets for revenue, expenditure and cash flow

**Table 28 MBRR SA25 - Budgeted monthly revenue and expenditure**

Description R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Revenue By Source</u></b>															
Property rates	49 531	(1)	6	(15)	(2)	–	–	15	(101)	(6)	555	(27)	49 956	52 454	55 077
Service charges - electricity revenue	6 966	7 319	7 619	7 461	6 805	7 510	6 125	6 544	6 797	6 883	7 584	5 681	83 295	89 542	96 257
Service charges - water revenue	1 495	1 536	1 566	1 550	1 617	1 837	1 691	1 801	1 883	1 724	1 726	1 215	19 641	21 189	22 852
Service charges - sanitation revenue	543	546	569	557	586	652	482	531	537	594	556	525	6 680	7 353	8 073
Service charges - refuse revenue	969	973	969	971	976	975	535	858	969	968	972	687	10 821	11 488	12 182
Rental of facilities and equipment	212	293	779	1 083	367	440	1 088	211	312	323	193	174	5 475	5 758	6 078
Interest earned - external investments	50	137	162	160	168	72	227	182	165	231	266	150	1 970	2 069	2 172
Interest earned - outstanding debtors	31	56	59	64	69	77	74	77	80	64	75	73	800	840	882
Fines	124	104	123	61	100	129	152	164	132	93	86	168	1 436	1 532	1 598
Licences and permits	28	23	25	36	26	29	29	28	28	26	25	27	330	346	364
Agency services	131	88	109	165	78	126	54	120	127	85	103	124	1 309	1 374	1 443
Transfers recognised - operational	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	30 290	49 172	68 946
Other revenue	106	537	311	317	363	476	297	139	127	164	342	251	3 430	3 576	3 719
<b>Total Revenue (excluding capital transfer)</b>	<b>62 711</b>	<b>14 136</b>	<b>14 821</b>	<b>14 935</b>	<b>13 678</b>	<b>14 847</b>	<b>13 278</b>	<b>13 196</b>	<b>13 577</b>	<b>13 673</b>	<b>15 007</b>	<b>11 573</b>	<b>215 431</b>	<b>246 693</b>	<b>279 643</b>
<b><u>Expenditure By Type</u></b>															
Employee related costs	6 481	6 482	6 497	6 873	10 390	6 700	7 666	6 737	6 692	6 926	6 784	6 027	84 256	99 910	106 564
Remuneration of councillors	297	289	293	293	293	293	293	457	313	313	313	313	3 760	3 968	4 188
Debt impairment	366	366	366	366	366	366	366	366	366	366	366	366	4 390	4 525	4 782
Depreciation & asset impairment	691	691	691	691	691	691	691	691	691	691	691	691	8 289	8 660	9 046
Finance charges	–	–	–	–	–	1 526	–	–	–	–	–	1 357	2 883	3 008	3 038
Bulk purchases	6 064	3 063	7 739	10 547	1 946	8 374	5 568	2 391	8 242	1 690	8 792	8 386	72 802	78 230	84 063
Contracted services	91	477	612	1 086	492	1 077	643	685	699	769	1 005	765	8 401	9 615	8 005
Transfers and grants	128	128	128	128	128	128	128	128	128	128	128	128	1 539	1 570	1 601
Other expenditure	2 223	2 764	2 335	3 455	3 394	6 570	1 006	3 351	3 133	6 464	4 331	4 777	43 801	63 545	84 644
<b>Total Expenditure</b>	<b>16 340</b>	<b>14 260</b>	<b>18 660</b>	<b>23 439</b>	<b>17 700</b>	<b>25 725</b>	<b>16 361</b>	<b>14 806</b>	<b>20 263</b>	<b>17 348</b>	<b>22 410</b>	<b>22 811</b>	<b>230 122</b>	<b>273 031</b>	<b>305 931</b>
<b>Surplus/(Deficit)</b>	<b>46 370</b>	<b>(124)</b>	<b>(3 839)</b>	<b>(8 504)</b>	<b>(4 022)</b>	<b>(10 878)</b>	<b>(3 084)</b>	<b>(1 611)</b>	<b>(6 686)</b>	<b>(3 675)</b>	<b>(7 403)</b>	<b>(11 238)</b>	<b>(14 691)</b>	<b>(26 338)</b>	<b>(26 288)</b>
Transfers recognised - capital	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	1 122	13 464	13 761	12 965
<b>Surplus/(Deficit)</b>	<b>47 492</b>	<b>998</b>	<b>(2 717)</b>	<b>(7 382)</b>	<b>(2 900)</b>	<b>(9 756)</b>	<b>(1 962)</b>	<b>(489)</b>	<b>(5 564)</b>	<b>(2 553)</b>	<b>(6 281)</b>	<b>(10 116)</b>	<b>(1 227)</b>	<b>(12 577)</b>	<b>(13 323)</b>

**Table 29 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Revenue by Vote</u></b>															
Vote 1 - Executive and Council	1 102	1 097	1 087	1 092	1 074	1 033	1 254	1 124	1 081	1 066	1 081	1 217	13 309	14 780	16 417
Vote 2 - Budget and Treasury Office	49 811	443	450	433	465	392	522	477	345	494	1 123	413	55 368	58 021	60 950
Vote 3 - Corporate Services	75	236	248	306	191	242	300	87	101	115	152	118	2 170	2 282	2 385
Vote 4 - Community and Social Services	1 068	1 147	1 544	1 799	1 163	1 324	1 771	1 102	1 156	1 090	1 028	1 100	15 291	33 898	51 045
Vote 8 - Electricity	7 153	7 590	7 846	7 690	7 043	7 769	6 349	6 738	6 988	7 082	7 817	5 897	85 961	92 213	98 935
Vote 14 - Infrastructure	4 623	4 745	4 768	4 737	4 865	5 209	4 203	4 789	5 029	4 947	4 929	3 951	56 796	59 260	62 877
<b>Total Revenue by Vote</b>	<b>63 833</b>	<b>15 258</b>	<b>15 943</b>	<b>16 057</b>	<b>14 800</b>	<b>15 969</b>	<b>14 400</b>	<b>14 318</b>	<b>14 699</b>	<b>14 795</b>	<b>16 129</b>	<b>12 695</b>	<b>228 895</b>	<b>260 453</b>	<b>292 609</b>
<b><u>Expenditure by Vote to be appropriated</u></b>															
Vote 1 - Executive and Council	1 051	1 174	1 174	1 397	1 488	1 637	1 149	1 453	1 292	1 594	1 464	1 397	16 271	17 235	18 018
Vote 2 - Budget and Treasury Office	2 052	2 260	2 215	2 634	3 173	3 206	2 198	2 481	2 433	3 149	2 766	2 638	31 204	34 433	35 300
Vote 3 - Corporate Services	1 326	1 451	1 402	1 682	2 137	2 919	1 376	1 603	1 564	2 120	1 795	2 421	21 797	28 000	30 243
Vote 4 - Community and Social Services	2 255	2 429	2 354	2 766	3 575	3 424	2 357	2 655	2 596	3 418	2 931	2 806	33 565	54 875	74 642
Vote 8 - Electricity	6 668	3 748	8 319	11 161	2 950	9 178	6 198	3 137	8 868	2 623	9 477	9 050	81 379	87 276	93 675
Vote 14 - Infrastructure	2 989	3 197	3 196	3 797	4 377	5 360	3 082	3 478	3 511	4 443	3 976	4 499	45 905	51 212	54 053
<b>Total Expenditure by Vote</b>	<b>16 340</b>	<b>14 260</b>	<b>18 660</b>	<b>23 439</b>	<b>17 700</b>	<b>25 725</b>	<b>16 361</b>	<b>14 806</b>	<b>20 263</b>	<b>17 348</b>	<b>22 410</b>	<b>22 811</b>	<b>230 122</b>	<b>273 031</b>	<b>305 931</b>
<b>Surplus/(Deficit)</b>	<b>47 492</b>	<b>998</b>	<b>(2 717)</b>	<b>(7 382)</b>	<b>(2 900)</b>	<b>(9 756)</b>	<b>(1 962)</b>	<b>(489)</b>	<b>(5 564)</b>	<b>(2 553)</b>	<b>(6 281)</b>	<b>(10 116)</b>	<b>(1 227)</b>	<b>(12 577)</b>	<b>(13 323)</b>

Table 30 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>															
<b>Governance and administration</b>	<b>50 972</b>	<b>1 695</b>	<b>1 738</b>	<b>1 784</b>	<b>1 675</b>	<b>1 595</b>	<b>2 032</b>	<b>1 666</b>	<b>1 506</b>	<b>1 651</b>	<b>2 305</b>	<b>1 709</b>	<b>70 327</b>	<b>74 534</b>	<b>79 186</b>
Executive and council	1 102	1 097	1 087	1 092	1 074	1 033	1 254	1 124	1 081	1 066	1 081	1 217	13 309	14 780	16 417
Budget and treasury office	49 811	443	450	433	465	392	522	477	345	494	1 123	413	55 368	58 021	60 950
Corporate services	59	155	201	258	136	171	255	65	81	90	100	79	1 651	1 733	1 819
<b>Community and public safety</b>	<b>1 068</b>	<b>1 147</b>	<b>1 544</b>	<b>1 799</b>	<b>1 163</b>	<b>1 324</b>	<b>1 771</b>	<b>1 102</b>	<b>1 156</b>	<b>1 090</b>	<b>1 028</b>	<b>1 100</b>	<b>15 291</b>	<b>33 898</b>	<b>51 045</b>
Community and social services	396	408	415	422	406	411	423	398	399	400	400	399	4 878	5 088	5 128
Sport and recreation	182	247	632	873	305	364	876	182	262	270	168	153	4 515	4 562	4 823
Public safety	298	300	305	312	261	358	279	331	303	228	267	356	3 599	3 798	3 974
Housing	192	192	192	192	192	192	192	192	192	192	192	192	2 300	20 450	37 120
<b>Economic and environmental services</b>	<b>982</b>	<b>1 046</b>	<b>1 013</b>	<b>1 013</b>	<b>1 020</b>	<b>1 037</b>	<b>1 011</b>	<b>987</b>	<b>985</b>	<b>991</b>	<b>1 017</b>	<b>1 004</b>	<b>12 106</b>	<b>11 576</b>	<b>11 978</b>
Planning and development	982	1 046	1 013	1 013	1 020	1 037	1 011	987	985	991	1 017	1 004	12 106	11 576	11 978
<b>Trading services</b>	<b>10 811</b>	<b>11 369</b>	<b>11 649</b>	<b>11 461</b>	<b>10 942</b>	<b>12 013</b>	<b>9 586</b>	<b>10 562</b>	<b>11 051</b>	<b>11 064</b>	<b>11 780</b>	<b>8 882</b>	<b>131 171</b>	<b>140 446</b>	<b>150 400</b>
Electricity	7 153	7 590	7 846	7 690	7 043	7 769	6 349	6 738	6 988	7 082	7 817	5 897	85 961	92 213	98 935
Water	1 596	1 666	1 684	1 667	1 741	1 982	1 816	1 923	2 008	1 842	1 855	1 306	21 085	22 666	24 366
Waste water management	775	787	816	798	841	937	692	759	767	849	798	752	9 569	10 283	11 052
Waste management	1 287	1 327	1 303	1 307	1 318	1 325	730	1 143	1 288	1 290	1 310	927	14 556	15 283	16 047
<b>Total Revenue - Standard</b>	<b>63 833</b>	<b>15 258</b>	<b>15 943</b>	<b>16 057</b>	<b>14 800</b>	<b>15 969</b>	<b>14 400</b>	<b>14 318</b>	<b>14 699</b>	<b>14 795</b>	<b>16 129</b>	<b>12 695</b>	<b>228 895</b>	<b>260 453</b>	<b>292 609</b>
<b>Expenditure - Standard</b>															
<b>Governance and administration</b>	<b>4 098</b>	<b>4 525</b>	<b>4 442</b>	<b>5 298</b>	<b>6 265</b>	<b>7 243</b>	<b>4 376</b>	<b>5 141</b>	<b>4 901</b>	<b>6 348</b>	<b>5 585</b>	<b>6 035</b>	<b>64 257</b>	<b>74 073</b>	<b>77 656</b>
Executive and council	1 051	1 174	1 174	1 397	1 488	1 637	1 149	1 453	1 292	1 594	1 464	1 397	16 271	17 235	18 018
Budget and treasury office	2 052	2 260	2 215	2 634	3 173	3 206	2 198	2 481	2 433	3 149	2 766	2 638	31 204	34 433	35 300
Corporate services	996	1 092	1 053	1 267	1 604	2 400	1 028	1 207	1 177	1 605	1 354	2 000	16 782	22 405	24 337
<b>Community and public safety</b>	<b>2 235</b>	<b>2 408</b>	<b>2 334</b>	<b>2 743</b>	<b>3 544</b>	<b>3 394</b>	<b>2 338</b>	<b>2 632</b>	<b>2 573</b>	<b>3 387</b>	<b>2 905</b>	<b>2 781</b>	<b>33 273</b>	<b>54 559</b>	<b>74 307</b>
Community and social services	836	879	849	974	1 327	1 190	869	950	929	1 204	1 030	985	12 023	14 126	14 815
Sport and recreation	555	599	575	682	887	872	564	657	641	872	731	706	8 340	8 827	10 601
Public safety	628	680	685	788	994	841	749	733	727	824	791	718	9 158	9 631	10 160
Housing	216	251	224	300	337	491	156	291	277	486	353	371	3 751	21 975	38 731
<b>Economic and environmental services</b>	<b>1 305</b>	<b>1 413</b>	<b>1 367</b>	<b>1 612</b>	<b>2 020</b>	<b>2 014</b>	<b>1 344</b>	<b>1 545</b>	<b>1 510</b>	<b>2 003</b>	<b>1 713</b>	<b>1 653</b>	<b>19 498</b>	<b>23 780</b>	<b>25 251</b>
Planning and development	493	542	516	627	788	837	484	602	584	833	682	668	7 655	7 549	8 024
Road transport	792	850	831	961	1 200	1 147	841	920	903	1 139	1 006	960	11 550	15 916	16 892
Environmental protection	20	21	20	24	31	31	19	23	22	31	26	25	293	315	335
<b>Trading services</b>	<b>8 702</b>	<b>5 914</b>	<b>10 517</b>	<b>13 786</b>	<b>5 871</b>	<b>13 074</b>	<b>8 303</b>	<b>5 489</b>	<b>11 278</b>	<b>5 610</b>	<b>12 207</b>	<b>12 342</b>	<b>113 094</b>	<b>120 618</b>	<b>128 718</b>
Electricity	6 668	3 748	8 319	11 161	2 950	9 178	6 198	3 137	8 868	2 623	9 477	9 050	81 379	87 276	93 675
Water	867	855	909	1 072	1 160	1 291	856	906	991	1 136	1 098	1 105	12 247	12 874	13 538
Waste water management	474	506	489	565	708	700	481	548	536	700	600	583	6 889	7 288	7 712
Waste management	693	804	799	988	1 054	1 905	768	899	883	1 151	1 032	1 605	12 579	13 180	13 793
<b>Total Expenditure - Standard</b>	<b>16 340</b>	<b>14 260</b>	<b>18 660</b>	<b>23 439</b>	<b>17 700</b>	<b>25 725</b>	<b>16 361</b>	<b>14 806</b>	<b>20 263</b>	<b>17 348</b>	<b>22 410</b>	<b>22 811</b>	<b>230 122</b>	<b>273 031</b>	<b>305 931</b>
<b>Surplus/(Deficit)</b>	<b>47 492</b>	<b>998</b>	<b>(2 717)</b>	<b>(7 382)</b>	<b>(2 900)</b>	<b>(9 756)</b>	<b>(1 962)</b>	<b>(489)</b>	<b>(5 564)</b>	<b>(2 553)</b>	<b>(6 281)</b>	<b>(10 116)</b>	<b>(1 227)</b>	<b>(12 577)</b>	<b>(13 323)</b>

**Table 31 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Multi-year expenditure to be appropriated</b>															
Vote 2 - Budget and Treasury Office	-	-	-	-	-	-	-	-	-	-	-	-	-	70	30
Vote 4 - Community and Social Services	56	87	63	161	61	144	82	97	87	66	115	181	1 200	2 000	1 775
Vote 14 - Infrastructure	77	119	87	222	84	198	112	133	119	90	158	249	1 650	3 385	3 875
<b>Capital multi-year expenditure sub-total</b>	<b>133</b>	<b>206</b>	<b>150</b>	<b>383</b>	<b>145</b>	<b>342</b>	<b>194</b>	<b>230</b>	<b>206</b>	<b>156</b>	<b>273</b>	<b>431</b>	<b>2 850</b>	<b>5 455</b>	<b>5 680</b>
<b>Single-year expenditure to be appropriated</b>															
Vote 2 - Budget and Treasury Office	1	1	1	2	1	2	1	1	1	1	2	3	18	6	-
Vote 3 - Corporate Services	82	126	92	234	89	209	118	140	126	95	167	263	1 742	1 123	447
Vote 4 - Community and Social Services	245	378	276	703	266	628	355	421	378	286	501	790	5 226	2 312	2 203
Vote 8 - Electricity	173	268	195	498	188	445	252	298	268	202	354	559	3 700	3 250	3 430
Vote 14 - Infrastructure	455	703	513	1 307	494	1 168	661	783	704	531	931	1 468	9 716	20 450	16 540
<b>Capital single-year expenditure sub-total</b>	<b>955</b>	<b>1 475</b>	<b>1 076</b>	<b>2 745</b>	<b>1 037</b>	<b>2 452</b>	<b>1 388</b>	<b>1 644</b>	<b>1 477</b>	<b>1 115</b>	<b>1 955</b>	<b>3 082</b>	<b>20 401</b>	<b>27 141</b>	<b>22 620</b>
<b>Total Capital Expenditure</b>	<b>1 088</b>	<b>1 681</b>	<b>1 226</b>	<b>3 129</b>	<b>1 182</b>	<b>2 794</b>	<b>1 582</b>	<b>1 873</b>	<b>1 684</b>	<b>1 271</b>	<b>2 228</b>	<b>3 513</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>

**Table 32 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

Description R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital Expenditure - Standard</b>															
<i>Governance and administration</i>	82	127	93	237	89	211	120	142	127	96	169	266	1 759	1 199	477
Budget and treasury office	1	1	1	2	1	2	1	1	1	1	2	3	18	76	30
Corporate services	82	126	92	234	89	209	118	140	126	95	167	263	1 742	1 123	447
<i>Community and public safety</i>	301	465	339	865	327	772	437	518	465	351	616	971	6 426	4 312	3 978
Community and social services	216	333	243	620	234	553	313	371	333	252	441	696	4 605	2 129	1 071
Sport and recreation	63	98	71	181	69	162	92	109	98	74	129	204	1 349	1 575	1 280
Public safety	22	34	25	64	24	57	32	38	34	26	45	71	472	594	1 627
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	14	-
<i>Economic and environmental services</i>	287	444	324	826	312	737	417	494	444	335	588	927	6 136	15 615	16 365
Road transport	287	444	324	826	312	737	417	494	444	335	588	927	6 136	15 615	16 365
<i>Trading services</i>	418	646	471	1 202	454	1 073	607	720	647	488	856	1 349	8 930	11 470	7 480
Electricity	173	268	195	498	188	445	252	298	268	202	354	559	3 700	3 250	3 430
Water	34	53	39	99	37	88	50	59	53	40	70	111	735	3 670	2 200
Waste water management	190	294	214	547	207	488	276	328	294	222	389	614	4 065	800	1 250
Waste management	20	31	23	58	22	52	29	35	31	24	41	65	430	3 750	600
<b>Total Capital Expenditure - Standard</b>	<b>1 088</b>	<b>1 681</b>	<b>1 226</b>	<b>3 129</b>	<b>1 182</b>	<b>2 794</b>	<b>1 582</b>	<b>1 873</b>	<b>1 684</b>	<b>1 271</b>	<b>2 228</b>	<b>3 513</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>
<b>Funded by:</b>															
National Government	620	958	699	1 782	673	1 592	901	1 067	959	724	1 269	2 001	13 245	13 225	12 840
Provincial Government	10	16	12	30	11	26	15	18	16	12	21	33	220	536	125
<b>Transfers recognised - capital</b>	<b>630</b>	<b>974</b>	<b>710</b>	<b>1 812</b>	<b>684</b>	<b>1 618</b>	<b>916</b>	<b>1 085</b>	<b>975</b>	<b>736</b>	<b>1 290</b>	<b>2 034</b>	<b>13 464</b>	<b>13 761</b>	<b>12 965</b>
<b>Borrowing</b>	<b>145</b>	<b>223</b>	<b>163</b>	<b>416</b>	<b>157</b>	<b>371</b>	<b>210</b>	<b>249</b>	<b>224</b>	<b>169</b>	<b>296</b>	<b>467</b>	<b>3 090</b>	<b>11 690</b>	<b>5 235</b>
<b>Internally generated funds</b>	<b>313</b>	<b>484</b>	<b>353</b>	<b>901</b>	<b>340</b>	<b>805</b>	<b>456</b>	<b>540</b>	<b>485</b>	<b>366</b>	<b>642</b>	<b>1 012</b>	<b>6 697</b>	<b>7 145</b>	<b>10 100</b>
<b>Total Capital Funding</b>	<b>1 088</b>	<b>1 681</b>	<b>1 226</b>	<b>3 129</b>	<b>1 182</b>	<b>2 794</b>	<b>1 582</b>	<b>1 873</b>	<b>1 684</b>	<b>1 271</b>	<b>2 228</b>	<b>3 513</b>	<b>23 251</b>	<b>32 596</b>	<b>28 300</b>



**Table 33 MBRR SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash Receipts By Source</b>													1		
Property rates	4 009	4 009	4 009	4 009	4 009	4 009	4 009	4 009	4 009	4 009	4 009	4 009	48 108	50 513	53 039
Service charges - electricity revenue	6 709	7 048	7 337	7 185	6 554	7 232	5 898	6 302	6 545	6 629	7 303	5 471	80 213	86 229	92 696
Service charges - water revenue	1 440	1 479	1 508	1 492	1 557	1 769	1 629	1 734	1 813	1 660	1 662	1 170	18 914	20 405	22 007
Service charges - sanitation revenue	523	526	548	536	565	628	464	511	517	572	536	506	6 433	7 081	7 775
Service charges - refuse revenue	933	937	933	935	940	939	515	826	933	932	936	662	10 421	11 063	11 732
Rental of facilities and equipment	204	282	750	1 043	353	424	1 048	204	300	311	186	168	5 272	5 545	5 853
Interest earned - external investments	50	137	162	160	168	72	227	182	165	231	266	150	1 970	2 069	2 172
Interest earned - outstanding debtors	30	54	57	62	67	74	71	74	77	62	72	71	770	809	849
Fines	47	39	47	23	38	49	58	62	50	35	33	64	546	632	668
Licences and permits	28	23	25	36	26	29	29	28	28	26	25	27	330	346	364
Agency services	131	88	109	165	78	126	54	120	127	85	103	124	1 309	1 374	1 443
Transfer receipts - operational	7 947	285	3 371	4 566	2 203	4 278	759	856	648	3 740	1 284	354	30 290	49 172	68 946
Other revenue	106	537	311	317	363	476	297	139	127	164	342	251	3 430	3 576	3 719
<b>Cash Receipts by Source</b>	<b>22 157</b>	<b>15 445</b>	<b>19 166</b>	<b>20 530</b>	<b>16 920</b>	<b>20 105</b>	<b>15 057</b>	<b>15 048</b>	<b>15 338</b>	<b>18 456</b>	<b>16 757</b>	<b>13 026</b>	<b>208 004</b>	<b>238 814</b>	<b>271 262</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	1 683	–	–	–	6 732	–	–	–	5 049	–	–	–	13 464	13 761	12 965
Borrowing long term/refinancing	–	–	–	–	3 090	–	–	–	–	–	–	–	3 090	11 690	5 235
Increase (decrease) in consumer deposits	23	23	23	23	23	23	23	23	23	23	23	23	273	292	312
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	6	6	6
<b>Total Cash Receipts by Source</b>	<b>23 863</b>	<b>15 468</b>	<b>19 190</b>	<b>20 554</b>	<b>26 765</b>	<b>20 128</b>	<b>15 081</b>	<b>15 071</b>	<b>20 410</b>	<b>18 479</b>	<b>16 780</b>	<b>13 049</b>	<b>224 837</b>	<b>264 563</b>	<b>289 781</b>
<b>Cash Payments by Type</b>															
Employee related costs	6 196	6 197	6 211	6 571	9 934	6 405	7 329	6 441	6 398	6 622	6 486	5 762	80 554	95 921	102 265
Remuneration of councillors	297	289	293	293	293	293	293	457	313	313	313	313	3 760	3 968	4 188
Finance charges	–	–	–	–	–	825	–	–	–	–	–	733	1 558	1 613	1 630
Bulk purchases - Electricity	6 004	3 032	7 662	10 443	1 926	8 292	5 513	2 368	8 160	1 674	8 705	8 303	72 082	76 136	81 986
Bulk purchases - Water & Sewer	109	55	139	190	35	151	100	43	148	30	158	151	1 311	1 352	1 422
Contracted services	91	481	617	1 095	496	1 085	648	691	705	776	1 013	771	8 469	9 524	7 943
Transfers and grants - other	128	128	128	128	128	128	128	128	128	128	128	128	1 539	1 570	1 601
Other expenditure	2 243	2 789	2 356	3 486	3 425	6 630	1 015	3 381	3 161	6 523	4 370	4 821	44 201	62 989	84 033
<b>Cash Payments by Type</b>	<b>15 069</b>	<b>12 972</b>	<b>17 407</b>	<b>22 206</b>	<b>16 237</b>	<b>23 809</b>	<b>15 027</b>	<b>13 509</b>	<b>19 013</b>	<b>16 066</b>	<b>21 174</b>	<b>20 983</b>	<b>213 473</b>	<b>253 073</b>	<b>285 068</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	1 088	1 681	1 226	3 129	1 182	2 794	1 582	1 873	1 684	1 271	2 228	3 513	23 251	32 596	28 300
Repayment of borrowing	–	–	–	–	–	247	–	–	–	–	–	247	494	1 755	2 043
<b>Total Cash Payments by Type</b>	<b>16 158</b>	<b>14 654</b>	<b>18 633</b>	<b>25 335</b>	<b>17 419</b>	<b>26 850</b>	<b>16 609</b>	<b>15 382</b>	<b>20 697</b>	<b>17 337</b>	<b>23 402</b>	<b>24 744</b>	<b>237 219</b>	<b>287 424</b>	<b>315 411</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>7 705</b>	<b>815</b>	<b>557</b>	<b>(4 781)</b>	<b>9 346</b>	<b>(6 723)</b>	<b>(1 528)</b>	<b>(311)</b>	<b>(287)</b>	<b>1 142</b>	<b>(6 622)</b>	<b>(11 695)</b>	<b>(12 382)</b>	<b>(22 861)</b>	<b>(25 630)</b>
Cash/cash equivalents at the month/year begin:	4 818	12 523	13 337	13 894	9 113	18 459	11 737	10 208	9 897	9 610	10 752	4 131	4 818	(7 564)	(30 425)
Cash/cash equivalents at the month/year end:	12 523	13 337	13 894	9 113	18 459	11 737	10 208	9 897	9 610	10 752	4 131	(7 564)	(7 564)	(30 425)	(56 056)

## **2.10 Contracts having future budgetary implications**

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Schedule SA35 is not applicable at the municipality.

## **2.11 Capital expenditure details**

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, then the repair and maintenance of assets and finally the depreciation per asset class.

**Table 34 MBRR SA34a - Capital expenditure on new assets by asset class**

Description  R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	<b>3 497</b>	<b>14 052</b>	<b>10 056</b>	<b>970</b>	<b>3 679</b>	<b>6 446</b>	<b>15 955</b>	<b>16 010</b>
Infrastructure - Road transport	1 180	4 934	7 131	650	650	3 506	11 255	11 660
<i>Roads, Pavements &amp; Bridges</i>	357	3 228	6 775	100	100	2 826	10 675	10 910
<i>Storm water</i>	822	1 706	356	550	550	680	580	750
Infrastructure - Electricity	1 533	677	2 926	300	2 300	2 300	2 100	2 100
<i>Transmission &amp; Reticulation</i>	1 533	677	2 926	100	2 100	2 300	2 100	2 100
<i>Street Lighting</i>	-	-	-	200	200	-	-	-
Infrastructure - Water	324	7 828	-	-	-	340	1 400	900
<i>Dams &amp; Reservoirs</i>	-	5 124	-	-	-	-	1 000	-
<i>Water purification</i>	69	-	-	-	-	140	-	-
<i>Reticulation Water</i>	255	2 704	-	-	-	200	400	900
Infrastructure - Sanitation	437	614	-	-	709	-	-	750
<i>Reticulation Sewerage</i>	61	614	-	-	709	-	-	750
<i>Sewerage purification</i>	377	-	-	-	-	-	-	-
Infrastructure - Other	22	-	-	20	20	300	1 200	600
<i>Waste Management</i>	22	-	-	20	20	300	1 200	600
<b>Community</b>	<b>30</b>	<b>1 951</b>	<b>4 168</b>	<b>3 035</b>	<b>2 430</b>	<b>4 361</b>	<b>793</b>	<b>371</b>
Parks & gardens	-	-	12	55	55	-	-	-
Sportsfields & stadia	-	55	-	1 579	2 125	1 007	-	-
Community halls	-	1 896	4 107	1 301	150	3 312	500	-
Recreational facilities	-	-	-	100	100	33	-	-
Cemeteries	30	-	-	-	-	10	293	371
Other Community	-	-	48	-	-	-	-	-
<b>Investment properties</b>	<b>426</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development	-	-	-	-	-	-	-	-
Other Investment Property	426	-	-	-	-	-	-	-
<b>Other assets</b>	<b>5 101</b>	<b>3 703</b>	<b>1 451</b>	<b>1 485</b>	<b>1 985</b>	<b>2 765</b>	<b>5 450</b>	<b>1 410</b>
General vehicles	1 836	1 845	-	160	160	490	600	390
Plant & equipment	714	333	71	185	168	1 055	2 773	98
Computers - hardware/equipment	1 379	615	419	574	224	875	667	122
Furniture and other office equipment	435	313	940	206	510	329	486	100
Civic Land and Buildings	-	483	-	-	-	-	-	-
Other Buildings	535	-	-	330	901	15	925	700
Other Assets - Other	201	115	21	30	21	-	-	-
<b>Intangibles</b>	<b>43</b>	<b>452</b>	<b>166</b>	<b>323</b>	<b>585</b>	<b>-</b>	<b>200</b>	<b>-</b>
Computers - software & programming	43	452	166	323	585	-	200	-
<b>Total Capital Expenditure on new assets</b>	<b>9 097</b>	<b>20 158</b>	<b>15 841</b>	<b>5 813</b>	<b>8 678</b>	<b>13 572</b>	<b>22 398</b>	<b>17 792</b>

**Table 35 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	<b>21 293</b>	<b>22 875</b>	<b>13 255</b>	<b>8 108</b>	<b>11 521</b>	<b>6 860</b>	<b>7 145</b>	<b>7 815</b>
Infrastructure - Road transport	2 483	3 040	4 751	6 758	8 331	2 100	3 745	4 705
<i>Roads, Pavements &amp; Bridges</i>	2 226	2 422	4 751	5 443	5 543	2 100	3 745	4 505
<i>Storm water</i>	257	618	–	1 316	2 788	–	–	200
Infrastructure - Electricity	2 199	1 224	957	500	740	1 380	1 130	1 310
<i>Transmission &amp; Reticulation</i>	2 199	1 119	957	500	740	1 250	1 000	1 180
<i>Street Lighting</i>	–	105	–	–	–	130	130	130
Infrastructure - Water	917	158	45	850	750	380	2 270	1 300
<i>Water purification</i>	552	85	18	500	400	–	1 000	1 000
<i>Reticulation Water</i>	365	73	27	350	350	380	1 270	300
Infrastructure - Sanitation	7 654	8 455	7 501	–	–	3 000	–	500
<i>Reticulation Sewerage</i>	24	620	2 863	–	–	3 000	–	500
<i>Sewerage purification</i>	7 630	7 835	4 638	–	–	–	–	–
Infrastructure - Other	8 041	9 999	–	–	1 700	–	–	–
<i>Other - Rehabilitation costs</i>	8 041	9 999	–	–	1 700	–	–	–
<b>Community</b>	<b>14</b>	<b>393</b>	<b>1 147</b>	<b>140</b>	<b>140</b>	<b>1 215</b>	<b>1 470</b>	<b>1 200</b>
Parks & gardens	–	59	–	–	–	–	–	–
Sportsfields & stadia	–	264	–	120	120	–	–	–
Community halls	14	–	–	20	20	–	–	–
Recreational facilities	–	70	1 130	–	–	1 215	1 470	1 200
Other Community	–	–	17	–	–	–	–	–
<b>Heritage assets</b>	<b>–</b>	<b>–</b>	<b>2 423</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Buildings	–	–	–	–	–	–	–	–
Other	–	–	2 423	–	–	–	–	–
<b>Other assets</b>	<b>1 933</b>	<b>227</b>	<b>488</b>	<b>440</b>	<b>541</b>	<b>1 605</b>	<b>1 583</b>	<b>1 494</b>
General vehicles	60	–	–	–	150	–	–	–
Specialised vehicles	–	–	–	–	–	800	800	–
Plant & equipment	180	127	230	245	223	88	89	1 239
Computers - hardware/equipment	34	15	–	165	156	177	166	225
Furniture and other office equipment	863	85	168	30	12	–	–	–
Civic Land and Buildings	–	–	46	–	–	–	–	–
Other Buildings	685	–	19	–	–	540	528	30
Other Assets - Other	112	–	25	–	–	–	–	–
<b>Intangibles</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>200</b>	<b>275</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computers - software & programming	–	–	–	200	275	–	–	–
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>23 240</b>	<b>23 495</b>	<b>17 313</b>	<b>8 888</b>	<b>12 476</b>	<b>9 680</b>	<b>10 197</b>	<b>10 509</b>

**Table 36 MBRR SA34c - Repairs and maintenance expenditure by asset class**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	<b>3 692</b>	<b>4 230</b>	<b>4 237</b>	<b>4 243</b>	<b>4 248</b>	<b>3 988</b>	<b>4 152</b>	<b>4 350</b>
Infrastructure - Road transport	1 512	1 773	1 605	1 524	1 584	1 175	1 244	1 317
<i>Roads, Pavements &amp; Bridges</i>	1 512	1 773	1 605	1 524	1 584	1 175	1 244	1 317
Infrastructure - Electricity	749	1 089	1 145	855	800	823	833	825
<i>Transmission &amp; Reticulation</i>	676	1 016	1 059	762	707	725	730	717
<i>Street Lighting</i>	72	72	86	92	92	97	103	108
Infrastructure - Water	958	989	1 052	1 368	1 368	950	980	1 020
<i>Reticulation Water</i>	958	989	1 052	1 368	1 368	950	980	1 020
Infrastructure - Sanitation	474	379	435	496	496	420	438	446
<i>Reticulation Sewerage</i>	474	379	435	496	496	420	438	446
Infrastructure - Other	-	-	-	-	-	620	658	742
<i>Waste Management</i>	-	-	-	-	-	620	658	742
<b>Community</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>785</b>	<b>853</b>	<b>896</b>
Community halls	-	-	-	-	-	150	170	191
Recreational facilities	-	-	-	-	-	585	630	650
Cemeteries	-	-	-	-	-	50	53	55
<b>Other assets</b>	<b>4 170</b>	<b>4 467</b>	<b>5 820</b>	<b>5 820</b>	<b>6 275</b>	<b>3 701</b>	<b>3 880</b>	<b>5 279</b>
General vehicles	1 200	1 290	1 989	1 922	1 950	1 852	1 947	2 040
Plant & equipment	328	386	322	443	489	533	575	1 836
Computers - hardware/equipment	29	71	97	89	564	89	93	98
Furniture and other office equipment	21	17	18	53	66	133	149	151
Civic Land and Buildings	1 238	1 234	1 785	1 322	1 244	1 094	1 116	1 154
Other Buildings	1 290	1 332	1 470	1 796	1 768	-	-	-
Other Land	-	57	111	137	137	-	-	-
Other Assets - Other	64	80	28	58	58	-	-	-
<b>Intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 338</b>	<b>2 500</b>	<b>2 661</b>
Computers - software & programming	-	-	-	-	-	2 338	2 500	2 661
<b>Total Repairs and Maintenance Expenditure</b>	<b>7 862</b>	<b>8 697</b>	<b>10 057</b>	<b>10 063</b>	<b>10 523</b>	<b>10 811</b>	<b>11 385</b>	<b>13 185</b>

**Table 37 MBRR SA34d - Depreciation by asset class**

Description  R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Depreciation by Asset Class/Sub-class</u></b>								
<b><u>Infrastructure</u></b>	<b>3 794</b>	<b>4 492</b>	<b>7 610</b>	<b>4 330</b>	<b>6 422</b>	<b>5 196</b>	<b>5 425</b>	<b>5 663</b>
Infrastructure - Road transport	1 298	1 346	1 550	1 344	1 636	1 537	1 610	1 687
<i>Roads, Pavements &amp; Bridges</i>	1 298	1 346	1 550	1 344	1 636	1 537	1 610	1 687
Infrastructure - Electricity	820	1 229	1 294	873	873	1 283	1 344	1 408
<i>Transmission &amp; Reticulation</i>	820	1 229	1 294	873	873	1 283	1 344	1 408
Infrastructure - Water	768	810	1 053	796	796	1 044	1 094	1 146
<i>Reticulation Water</i>	768	810	1 053	796	796	1 044	1 094	1 146
Infrastructure - Sanitation	803	837	854	825	825	847	887	930
<i>Reticulation Sewerage</i>	803	837	854	825	825	847	887	930
Infrastructure - Other	105	270	2 859	492	2 292	486	489	493
<i>Waste Management</i>	77	74	75	77	77	74	77	81
<i>Other</i>	28	196	2 785	415	2 215	412	412	412
<b><u>Community</u></b>	<b>218</b>	<b>232</b>	<b>234</b>	<b>215</b>	<b>215</b>	<b>232</b>	<b>243</b>	<b>254</b>
Parks & gardens	12	12	13	12	12	13	13	14
Sportsfields & stadia	15	15	15	15	15	15	16	17
Community halls	32	32	32	32	32	32	34	35
Libraries	35	48	48	34	34	48	50	53
Recreational facilities	123	123	123	121	121	122	128	134
Clinics	1	1	1	1	1	1	1	1
Cemeteries	0	0	0	0	0	0	1	1
<b><u>Investment properties</u></b>	<b>3</b>	<b>9</b>	<b>9</b>	<b>3</b>	<b>3</b>	<b>9</b>	<b>9</b>	<b>9</b>
Other	3	9	9	3	3	9	9	9
<b><u>Other assets</u></b>	<b>2 051</b>	<b>2 665</b>	<b>2 755</b>	<b>2 358</b>	<b>2 358</b>	<b>2 731</b>	<b>2 862</b>	<b>2 998</b>
General vehicles	565	754	940	741	741	932	976	1 023
Specialised vehicles	57	63	63	57	57	62	65	68
Plant & equipment	226	302	314	297	297	311	326	342
Computers - hardware/equipment	256	279	332	279	279	330	345	362
Furniture and other office equipment	436	465	470	452	452	466	488	511
Civic Land and Buildings	70	70	74	69	69	73	77	81
Other Buildings	195	241	231	211	211	229	240	252
Surplus Assets - (Investment or Inventory)	–	242	111	–	–	110	115	121
Other	246	250	219	253	253	217	228	239
<b><u>Intangibles</u></b>	<b>29</b>	<b>40</b>	<b>122</b>	<b>40</b>	<b>40</b>	<b>122</b>	<b>122</b>	<b>122</b>
Computers - software & programming	29	40	122	40	40	122	122	122
Other ( <i>list sub-class</i> )	–	–	–	–	–	–	–	–
<b>Total Depreciation</b>	<b>6 096</b>	<b>7 437</b>	<b>10 729</b>	<b>6 945</b>	<b>9 037</b>	<b>8 289</b>	<b>8 660</b>	<b>9 046</b>

**Table 38 MBRR SA35 - Future financial implications of the capital budget**

No future implications identified on the capital budget beyond the MTREF period.

**Table 39 MBRR SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code	Asset Class	Asset Sub-Class	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
2.6 - Revenue Management	DESK	K	Other assets	Furniture and other office equipment	2	–	–	Alg	N
2.6 - Revenue Management	High Back Chair	K	Other assets	Furniture and other office equipment	1	–	–	Alg	N
2.6 - Revenue Management	Visitor Chairs	K	Other assets	Furniture and other office equipment	1	–	–	Alg	N
2.6 - Revenue Management	Upgrade / Security Buildings: Cash Points	K	Other assets	Other Buildings	–	70	30	Alg	R
2.3 - Supply Chain Management	Stationary Steel Cupboard (x4)	K	Other assets	Furniture and other office equipment	7	–	–	Alg	N
2.3 - Supply Chain Management	Drawer Filing Cabinet (x3)	K	Other assets	Furniture and other office equipment	5	–	–	Alg	N
2.3 - Supply Chain Management	Utility Trolley	K	Other assets	Furniture and other office equipment	2	–	–	Alg	N
2.3 - Supply Chain Management	Folding Nose Trolley	K	Other assets	Furniture and other office equipment	–	2	–	Alg	N
2.3 - Supply Chain Management	OAK Melamine Hinged Door System	K	Other assets	Furniture and other office equipment	–	4	–	Alg	N
3.4 - Information Technology	Computer - PC's (Replacement / Upgrade)	L	Other assets	Computers - hardware/equipment	85	157	215	Alg	R
3.4 - Information Technology	Computer - PC's (x9 New)	L	Other assets	Computers - hardware/equipment	59	–	–	Alg	N
3.4 - Information Technology	Screens (Replacements)	L	Other assets	Computers - hardware/equipment	12	9	10	Alg	R
3.4 - Information Technology	Computer Notebook - Laptops (x5 New)	L	Other assets	Computers - hardware/equipment	60	76	79	Alg	N
3.4 - Information Technology	UPS Small (offices)	L	Other assets	Computers - hardware/equipment	17	15	15	Alg	N
3.4 - Information Technology	UPS Small (Viop 2 KVA)	L	Other assets	Computers - hardware/equipment	26	–	–	Alg	N
3.4 - Information Technology	SCM Printer order and remittance printers for Creditors Div	L	Other assets	Computers - hardware/equipment	16	–	–	Alg	N
3.4 - Information Technology	Switch PoE	L	Other assets	Computers - hardware/equipment	25	26	28	Alg	N
3.4 - Information Technology	Backup Device & HDD	L	Other assets	Computers - hardware/equipment	60	–	–	Alg	N
3.4 - Information Technology	Server Upgrades	L	Other assets	Computers - hardware/equipment	80	–	–	Alg	R
3.4 - Information Technology	Time & Attendance (Biometric / Access Control)	L	Other assets	Computers - hardware/equipment	500	500	–	Alg	N
3.4 - Information Technology	Buildings: Upgrade of Server Room (MSIG Funding)	L	Other assets	Other Buildings	280	–	–	Alg	R
3.4 - Information Technology	Buildings: Upgrade of Server Room (FMG Funding)	L	Other assets	Other Buildings	220	–	–	Alg	R
3.4 - Information Technology	Symantec Enterprise Vault - Mail Archiving	L	Intangibles	Computers - software & programming	–	200	–	Alg	N
3.4 - Information Technology	CCTV Traffic	L	Other assets	Computers - hardware/equipment	–	50	–	Alg	N
3.4 - Information Technology	UPS Nedbank Building	L	Other assets	Computers - hardware/equipment	113	–	–	Alg	N
3.6 - Administrative Support Services	Steel Shelves & Zipples - Strong Room Nedbank Building	L	Other assets	Furniture and other office equipment	150	90	100	Alg	N
3.6 - Administrative Support Services	Building: Improvements - Committee Services Office 'Bind - Kamer	L	Other assets	Other Buildings	40	–	–	Alg	R

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code	Asset Class	Asset Sub-Class	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year	Budget Year	Budget Year	Ward	New or
					2015/16	+1 2016/17	+2 2017/18	location	renewal
4.7 - Social Development	KANTOOR MEUBELS	I	Other assets	Furniture and other office equipment	6	–	–	Alg	N
4.7 - Social Development	OUTDOOR WOODEN FURNITURE FOR COURT YARD AT THUS	I	Other assets	Furniture and other office equipment	–	6	–	Alg	N
4.7 - Social Development	OUTDOOR WOODEN BENCHES FOR COURT YARD AT THUSO	I	Other assets	Furniture and other office equipment	–	15	–	Alg	N
4.7 - Social Development	STEAL BALUSTRADE	I	Other assets	Furniture and other office equipment	–	20	–	Alg	N
4.7 - Social Development	2M X 3M GALVANISED STRUCTURE FOR DIRT COLLECTION	I	Other assets	Furniture and other office equipment	–	20	–	Alg	N
4.7 - Social Development	HYDRO BOIL WITH INSTALLATION	I	Other assets	Furniture and other office equipment	8	–	–	Alg	N
4.7 - Social Development	SOUND SYSTEM FOR SOCIAL UPLIFTMENT	I	Other assets	Furniture and other office equipment	10	–	–	Alg	N
4.7 - Social Development	PHOTOSTAT MACHINE	I	Other assets	Furniture and other office equipment	10	–	–	Alg	N
4.7 - Social Development	CAR	I	Other assets	General vehicles	150	–	–	Alg	N
4.7 - Social Development	WOODEN BLINDS FOR FRONT OFFICE	I	Other assets	Furniture and other office equipment	15	–	–	Alg	N
4.1 - Library	BUILDING EXTRA STEPS WELVERDIEND	I	Other assets	Other Buildings	5	–	–	Alg	N
4.1 - Library	DVD PLAYER WELVERDIEND	I	Other assets	Furniture and other office equipment	1	–	–	Alg	N
4.1 - Library	FURNITURE	I	Other assets	Furniture and other office equipment	10	–	–	Alg	N
4.1 - Library	TV WELVERDIEND	I	Other assets	Furniture and other office equipment	5	–	–	Alg	N
4.1 - Library	Extra Shelves & Fencing - Waenshuiskrans	I	Other assets	Other Buildings	–	125	125	Alg	N
4.1 - Library	Building - Bredasdorp Extention	I	Other assets	Other Buildings	–	90	–	Alg	R
4.1 - Library	Welverdiend: Aircon and projector	I	Other assets	Furniture and other office equipment	–	60	–	Alg	N
4.1 - Library	Napier: Book detection system	I	Other assets	Furniture and other office equipment	–	200	–	Alg	N
4.6 - Housing	Steel Cabinets - 4 Drawer Filling (x 4)	I	Other assets	Furniture and other office equipment	–	9	–	Alg	N
4.6 - Housing	Furniture - Desk / Chairs	I	Other assets	Furniture and other office equipment	–	5	–	Alg	N
4.9 - Traffic	Alcohol Breathalyser Testers	M	Other assets	Plant & equipment	8	9	9	Alg	R
4.9 - Traffic	Vehicles: x1 Bakkie (Animal Control)	M	Other assets	General vehicles	180	–	–	Alg	N
4.9 - Traffic	Vehicles: x1 Sedan (Traffic)	M	Other assets	General vehicles	160	–	–	Alg	N
4.9 - Traffic	Vehicles: x1 Mini-Bus (Law Enforcement)	M	Other assets	General vehicles	–	–	390	Alg	N
4.9 - Traffic	Firearms	M	Other assets	Plant & equipment	–	35	40	Alg	N
4.9 - Traffic	Handradio's	M	Other assets	Plant & equipment	18	24	23	Alg	N
4.9 - Traffic	PA System / Siren with GIZZ WAC	M	Other assets	Plant & equipment	–	9	15	Alg	N
4.9 - Traffic	Zippels	M	Other assets	Plant & equipment	55	110	–	Alg	N



Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code	Asset Class	Asset Sub-Class	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
4.9 - Traffic	Air conditioners	M	Other assets	Furniture and other office equipment	46	–	–	Alg	N
4.9 - Traffic	Kantoor meubels	M	Other assets	Furniture and other office equipment	4	9	–	Alg	N
4.9 - Traffic	Urn 6L	M	Other assets	Furniture and other office equipment	1	–	–	Alg	N
4.9 - Traffic	Create Storage Space	M	Other assets	Furniture and other office equipment	–	30	–	Alg	N
4.9 - Traffic	Upgrade of Pit Testing Equipment	M	Other assets	Plant & equipment	–	–	350	Alg	R
4.9 - Traffic	Upgrade of Yard Test: K53	M	Other assets	Plant & equipment	–	–	800	Alg	R
4.9 - Traffic	Buildings - Renovation of male toilet to Cashier area Fines	M	Other assets	Other Buildings	–	38	–	Alg	R
4.9 - Traffic	Buildings - Expansion of "Toetsstasie Gebou"	M	Other assets	Other Buildings	–	330	–	Alg	R
4.13 - Beaches & Public Amenities	Upgrade of Ablution Facilities at Old Nostra	J	Community	Recreational facilities	1 200	1 200	1 200	Alg	R
4.13 - Beaches & Public Amenities	Upgrade of Ablution Facility at Duiker Street, Struisbaai - Blue Flag S	J	Community	Recreational facilities	–	270	–	Alg	R
4.13 - Beaches & Public Amenities	Tile of New Ablution Facility at Arniston Resort	J	Community	Recreational facilities	33	–	–	Alg	N
4.13 - Beaches & Public Amenities	Furniture at Resorts (Suikerbossie, Struisbaai, L'Agulhas & Arniston)	J	Other assets	Plant & equipment	80	80	80	Alg	R
4.13 - Beaches & Public Amenities	Kudu 750 with Kohler 14hp Engine - L'Agulhas Resort	J	Other assets	Plant & equipment	–	25	–	Alg	N
4.13 - Beaches & Public Amenities	Gate at Struisbaai Resort	J	Community	Recreational facilities	15	–	–	Alg	R
4.14 - Parks and Sports Facilities	MS 381 with Bar & Chain	J	Other assets	Plant & equipment	7	–	–	Alg	N
4.14 - Parks and Sports Facilities	2 x Brush Cutter Maruyama 50.2cc	J	Other assets	Plant & equipment	14	–	–	Alg	N
4.3 - Cemetery	Ablution Facility and Fencing of New Cemetery at Napier	I	Community	Cemeteries	–	143	180	Alg	N
4.3 - Cemetery	Bou van suiglenk (Napier Begraafplaas)	I	Community	Cemeteries	10	–	–	Alg	N
4.3 - Cemetery	Ablution Facility and Fencing of New Cemetery at Bredasdorp	I	Community	Cemeteries	–	150	191	Alg	N
4.4 - Buildings and Commonage	Cloakroom at Nelson Mandela Hall	I	Community	Community halls	–	500	–	Alg	N
4.4 - Buildings and Commonage	Numatic CT470-2 Industrial Carpet extraction Unit	I	Other assets	Plant & equipment	13	–	–	Alg	N
4.4 - Buildings and Commonage	Super 5 Tractor with Roof Rack for ladders	I	Other assets	Plant & equipment	13	–	–	Alg	N
4.4 - Buildings and Commonage	Construction of new wing at "Ons Huis"	I	Other assets	Other Buildings	–	800	575	Alg	N
4.4 - Buildings and Commonage	Galvanised Gates with Remote Controls Napier Offices (x2)	I	Other assets	Other Buildings	10	–	–	Alg	N
4.4 - Buildings and Commonage	Cloak Room at Zwelitsha Sport Complex - Soccer Field	I	Community	Sportsfields & stadia	1 007	–	–	Alg	N
4.5 - Public Services	Furniture - Desk, Chairs, Cabinets, etc.	I	Other assets	Furniture and other office equipment	21	–	–	Alg	N
14.2 - Workshop	Handradio's	B	Other assets	Plant & equipment	5	–	–	Alg	N
14.4 - Water	1 MI reservoir, Waenhuiskrans	D	Infrastructure - Water	Dams & Reservoirs	–	1 000	–	Alg	N

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code	Asset Class	Asset Sub-Class	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year	Budget Year	Budget Year	Ward location	New or renewal
					2015/16	+1 2016/17	+2 2017/18		
14.4 - Water	Opgradeer Vleidoof pompstasie	D	Infrastructure - Water	Reticulation Water	–	750	–	Alg	R
14.4 - Water	Vervang Bulkmeters	D	Infrastructure - Water	Reticulation Water	100	200	100	Alg	R
14.4 - Water	Vervang midblok waterlyn BD	D	Infrastructure - Water	Reticulation Water	–	150	150	Alg	R
14.4 - Water	Ontwikkel boorgate NP	D	Infrastructure - Water	Reticulation Water	–	250	250	Alg	N
14.4 - Water	Elektriese panele pompstasies	D	Infrastructure - Water	Reticulation Water	200	150	150	Alg	N
14.4 - Water	Opgradeer WTW Napier	D	Infrastructure - Water	Water purification	–	1 000	1 000	Alg	R
14.4 - Water	Verskuif waterlyn erf 1353 NP	D	Infrastructure - Water	Reticulation Water	–	100	–	Alg	R
14.4 - Water	Aluin (oorskakeling na vloeistof)	D	Infrastructure - Water	Water purification	140	–	–	Alg	N
14.4 - Water	Tweeeringtradios	D	Other assets	Plant & equipment	15	–	–	Alg	N
14.4 - Water	Vervangingsboorgate BD1	D	Infrastructure - Water	Reticulation Water	280	70	50	Alg	R
14.4 - Water	Dienste: Kalkoentjie- & Dalasingel, BD	D	Infrastructure - Water	Reticulation Water	–	–	500	Alg	N
14.5 - Sewerage & Sanitation	RIOOLSKEMA FASE 4, NAPIER	E	Infrastructure - Sanitation	Reticulation Sewerage	–	–	750	Alg	N
14.5 - Sewerage & Sanitation	Riooltrok	E	Other assets	Refuse	800	800	–	Alg	R
14.5 - Sewerage & Sanitation	STRUISBAAI RIOOLSKEMA	E	Infrastructure - Sanitation	Reticulation Sewerage	–	–	500	Alg	R
14.5 - Sewerage & Sanitation	Jetcleanser	E	Other assets	Plant & equipment	250	–	–	Alg	N
14.5 - Sewerage & Sanitation	Tweeeringtradios	E	Other assets	Plant & equipment	15	–	–	Alg	N
14.6 - Solid Waste	Herwiningsboor	F	Infrastructure - Other	Waste Management	–	850	–	Alg	N
14.6 - Solid Waste	Oorlaastasie	F	Infrastructure - Other	Waste Management	–	150	–	Alg	N
14.6 - Solid Waste	Vullishouers	F	Other assets	Plant & equipment	60	–	–	Alg	N
14.6 - Solid Waste	1 x "Skips"	F	Other assets	Plant & equipment	50	50	–	Alg	N
14.6 - Solid Waste	"Compactor" Stortingsterrein	F	Other assets	Plant & equipment	–	2 500	–	Alg	N
14.6 - Solid Waste	Omheining Stortingsterrein	F	Infrastructure - Other	Waste Management	300	200	100	Alg	N
14.6 - Solid Waste	Teerpad na Stortingsterrein	F	Infrastructure - Other	Waste Management	–	–	500	Alg	N
14.6 - Solid Waste	Handradio's	F	Other assets	Plant & equipment	20	–	–	Alg	N
14.3 - Streets & Stormwater	Herseel	B	Infrastructure - Road transport	Roads, Pavements & Bridges	800	850	600	Alg	R
14.3 - Streets & Stormwater	Ou Meule- Bastiaanstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	–	750	Alg	R
14.3 - Streets & Stormwater	Lay-buys (Aftrekplekke)	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	300	–	Alg	N
14.3 - Streets & Stormwater	Taxi - Afdakke	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	–	170	Alg	N

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code	Asset Class	Asset Sub-Class	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
14.3 - Streets & Stormwater	Brandstraat verlenging	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	N
14.3 - Streets & Stormwater	1 x 10 - Ton Tipper Trok	B	Other assets	General vehicles	-	600	-	Alg	N
14.3 - Streets & Stormwater	Rolbesem	B	Other assets	Plant & equipment	300	-	-	Alg	N
14.3 - Streets & Stormwater	1 x Pedestrian Roller (1Ton)	B	Other assets	Plant & equipment	200	-	-	Alg	N
14.3 - Streets & Stormwater	Brug Lang/ Fabriekstraat "Link"	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	500	Alg	R
14.3 - Streets & Stormwater	Kantoor & Meubels ( Superintendent & Admin)	B	Other assets	Furniture and other office equipment	25	15	-	Alg	N
14.3 - Streets & Stormwater	Teer VD Bylstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	250	385	425	Alg	R
14.3 - Streets & Stormwater	Sypaadjies opgradeer	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	100	Alg	R
14.3 - Streets & Stormwater	Herseel	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	100	Alg	R
14.3 - Streets & Stormwater	Teer Wouterstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	150	250	400	Alg	R
14.3 - Streets & Stormwater	Herbegruising Strate Tamatiekraal	B	Infrastructure - Road transport	Roads, Pavements & Bridges	200	400	500	Alg	R
14.3 - Streets & Stormwater	Teer Kareestraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Shortstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Ericastraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Proteastraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Pinestraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Nu- Uniestraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Geelstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Teer Kragstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Sypad Sarel Cillierstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Herseel	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	100	-	Alg	R
14.3 - Streets & Stormwater	Voetpad SB na LA	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	N
14.3 - Streets & Stormwater	Pad Tennisbaan	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Adellestraat (Finale Fase)	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Gruisstrate Plavei	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	Alg	R
14.3 - Streets & Stormwater	Sypaadjies	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	250	Alg	R
14.3 - Streets & Stormwater	Rehabiliteer pad na Suiderstrand	B	Infrastructure - Road transport	Roads, Pavements & Bridges	450	400	300	Alg	R
14.3 - Streets & Stormwater	Seemansweg Fase 3	B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	200	200	Alg	R

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code	Asset Class	Asset Sub-Class	2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
14.3 - Streets & Stormwater	Herbegruis SS paaie	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	–	100	Alg	R
14.3 - Streets & Stormwater	Plavei Strate	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	–	–	Alg	R
14.3 - Streets & Stormwater	Sypaaidjies Hoofstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	150	–	Alg	R
14.3 - Streets & Stormwater	Teer straat Klipdale.	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	300	–	Alg	R
14.3 - Streets & Stormwater	Teer ingang na Skema	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	610	–	Alg	R
14.3 - Streets & Stormwater	Droerivier rehabilitasie (perm opp)	B	Infrastructure - Road transport	Storm water	–	–	200	Alg	R
14.3 - Streets & Stormwater	Fletcherstraat Stormwatersloot	B	Infrastructure - Road transport	Storm water	–	–	–	Alg	R
14.3 - Streets & Stormwater	Kapitaal Meesterplan - Implimentering (Stormwater)	B	Infrastructure - Road transport	Storm water	180	160	150	Alg	N
14.3 - Streets & Stormwater	Kapitaal Meesterplan - Implimentering (Stormwater)	B	Infrastructure - Road transport	Storm water	150	–	–	Alg	N
14.3 - Streets & Stormwater	Escomstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	–	160	Alg	R
14.3 - Streets & Stormwater	Swartstraat	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	–	120	Alg	R
14.3 - Streets & Stormwater	Sruisbaai - Noord Stormwater	B	Infrastructure - Road transport	Roads, Pavements & Bridges	250	100	–	Alg	R
14.3 - Streets & Stormwater	Kapitaal Meesterplan - Implimentering (Stormwater)	B	Infrastructure - Road transport	Storm water	180	200	300	Alg	N
14.3 - Streets & Stormwater	Kapitaal Meesterplan - Implimentering (Stormwater)	B	Infrastructure - Road transport	Storm water	170	220	300	Alg	N
8.1 - Electricity	Christmas light	C	Infrastructure - Electricity	Street Lighting	30	30	30	Alg	R
8.1 - Electricity	Change Transformers with minisubs	C	Infrastructure - Electricity	Transmission & Reticulation	600	450	500	Alg	R
8.1 - Electricity	Streetlights	C	Infrastructure - Electricity	Street Lighting	100	100	100	Alg	R
8.1 - Electricity	Electrification of informal settlements	C	Infrastructure - Electricity	Transmission & Reticulation	100	100	100	Alg	N
8.1 - Electricity	Replace medium and low voltage overheadlines where needed	C	Infrastructure - Electricity	Transmission & Reticulation	650	550	680	Alg	R
8.1 - Electricity	Quality of Supply meters	C	Infrastructure - Electricity	Transmission & Reticulation	200	–	–	Alg	N
8.1 - Electricity	Small hand tools	C	Other assets	Plant & equipment	20	20	20	Alg	N
8.1 - Electricity	Electrical Infrastructure	C	Infrastructure - Electricity	Transmission & Reticulation	2 000	2 000	2 000	Alg	N
14.5 - Sewerage & Sanitation	Opradering van Ou Meule Rioolpompstasie	E	Infrastructure - Sanitation	Reticulation Sewerage	1 500	–	–	Alg	R
14.5 - Sewerage & Sanitation	SB noord Rioolpompstasie	E	Infrastructure - Sanitation	Reticulation Sewerage	1 500	–	–	Alg	R
14.3 - Streets & Stormwater	Nuwerus Strate	B	Infrastructure - Road transport	Roads, Pavements & Bridges	840	–	–	Alg	N
4.7 - Social Development	Thusongsentrum	I	Community	Community halls	3 312	–	–	Alg	N
14.3 - Streets & Stormwater	Hop Strate WHK	B	Infrastructure - Road transport	Roads, Pavements & Bridges	500	–	–	Alg	N
14.3 - Streets & Stormwater	Hop Strate Bredasdorp	B	Infrastructure - Road transport	Roads, Pavements & Bridges	1 000	10 375	10 740	Alg	N
14.3 - Streets & Stormwater	Smartie Town Strate Napier	B	Infrastructure - Road transport	Roads, Pavements & Bridges	486	–	–	Alg	N
<b>Parent Capital expenditure</b>					<b>23 251</b>	<b>32 596</b>	<b>28 300</b>		

## 2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.
2. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
3. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
4. Budget and Treasury Office  
The Budget and Treasury Office structure has been approved but not yet functional in accordance with the MFMA. The position of Budget & Treasury Office Manager has been advertised during March 2015 and is likely to be filled as from May 2015.
5. Audit Committee  
An Audit Committee has been established and is fully functional.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
No MFMA training is currently underway. Skills Competency training is currently in progress at the municipality with only a few individuals in the final stages of the programme.
8. Policies  
Still in process to review and update financial management related policies which will be submitted to council on / or before final approval May 2015 if need be.

## 2.13 Other supporting documents

All other supporting schedules not specifically addressed in this document are included below.

**Table 40 MBRR SA1 - Supporting detail to 'Budgeted Financial Performance'**

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand								
<b>REVENUE ITEMS:</b>								
<u><b>Property rates</b></u>								
Total Property Rates	32 554	34 889	39 475	42 460	42 944	50 116	52 622	55 253
less Revenue Foregone	126	126	150	155	161	160	168	176
<b>Net Property Rates</b>	<b>32 427</b>	<b>34 763</b>	<b>39 325</b>	<b>42 304</b>	<b>42 783</b>	<b>49 956</b>	<b>52 454</b>	<b>55 077</b>
<u><b>Service charges - electricity revenue</b></u>								
Total Service charges - electricity revenue	60 022	65 092	69 614	74 134	77 330	83 295	89 542	96 257
less Revenue Foregone								
<b>Net Service charges - electricity revenue</b>	<b>60 022</b>	<b>65 092</b>	<b>69 614</b>	<b>74 134</b>	<b>77 330</b>	<b>83 295</b>	<b>89 542</b>	<b>96 257</b>
<u><b>Service charges - water revenue</b></u>								
Total Service charges - water revenue	14 765	16 175	16 950	20 238	20 238	20 870	22 435	24 118
less Revenue Foregone						1 230	1 246	1 266
<b>Net Service charges - water revenue</b>	<b>14 765</b>	<b>16 175</b>	<b>16 950</b>	<b>20 238</b>	<b>20 238</b>	<b>19 641</b>	<b>21 189</b>	<b>22 852</b>
<u><b>Service charges - sanitation revenue</b></u>								
Total Service charges - sanitation revenue	5 434	6 336	7 534	8 446	8 446	9 515	10 227	10 993
less Revenue Foregone						2 836	2 874	2 920
<b>Net Service charges - sanitation revenue</b>	<b>5 434</b>	<b>6 336</b>	<b>7 534</b>	<b>8 446</b>	<b>8 446</b>	<b>6 680</b>	<b>7 353</b>	<b>8 073</b>
<u><b>Service charges - refuse revenue</b></u>								
Total refuse removal revenue	8 664	9 534	10 495	12 912	12 912	14 276	14 990	15 739
Total landfill revenue	-	-	-	-	-	-	-	-
less Revenue Foregone	-	-	-	-	-	3 455	3 502	3 557
<b>Net Service charges - refuse revenue</b>	<b>8 664</b>	<b>9 534</b>	<b>10 495</b>	<b>12 912</b>	<b>12 912</b>	<b>10 821</b>	<b>11 488</b>	<b>12 182</b>
<u><b>Other Revenue by source</b></u>								
Other revenue	2 484	2 213	2 763	2 366	2 380	2 830	2 946	3 058
Public Contributions and Donations	-	67	1 290	-	-	-	-	-
LGSETA	299	321	774	-	-	600	630	662
Third Party Payments	-	-	25	-	-	-	-	-
Actuarial Gains	84	-	-	-	-	-	-	-
<b>Total 'Other' Revenue</b>	<b>2 867</b>	<b>2 600</b>	<b>4 853</b>	<b>2 366</b>	<b>2 380</b>	<b>3 430</b>	<b>3 576</b>	<b>3 719</b>

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>EXPENDITURE ITEMS:</b>								
<b><u>Employee related costs</u></b>								
Basic Salaries and Wages	45 673	47 148	49 550	52 373	52 612	56 003	68 760	73 615
Pension and UIF Contributions	6 050	6 335	7 180	8 154	8 118	9 861	10 533	11 252
Medical Aid Contributions	2 033	2 113	2 432	2 591	2 591	2 771	2 965	3 172
Overtime	2 044	2 380	2 978	2 628	2 634	2 434	2 611	2 808
Performance Bonus	–	–	–	–	–	629	673	720
Motor Vehicle Allowance	3 445	3 861	4 280	4 653	4 566	4 180	4 291	4 319
Cellphone Allowance	–	–	–	–	–	237	237	237
Housing Allowances	375	384	386	437	437	542	2 019	2 151
Other benefits and allowances	1 982	2 215	2 308	2 587	2 582	2 641	2 721	2 900
Payments in lieu of leave	587	1 391	79	500	400	500	500	500
Long service awards	603	659	669	727	780	689	750	790
Post-retirement benefit obligations	2 907	3 205	3 818	4 222	4 652	3 770	3 850	4 100
<b>sub-total</b>	<b>65 699</b>	<b>69 692</b>	<b>73 679</b>	<b>78 871</b>	<b>79 372</b>	<b>84 256</b>	<b>99 910</b>	<b>106 564</b>
<b><u>Less: Employees costs capitalised to PPE</u></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Employee related costs</b>	<b>65 699</b>	<b>69 692</b>	<b>73 679</b>	<b>78 871</b>	<b>79 372</b>	<b>84 256</b>	<b>99 910</b>	<b>106 564</b>
<b><u>Depreciation &amp; asset impairment</u></b>								
Depreciation of Property, Plant & Equipment	6 094	7 175	8 245	6 805	7 237	8 289	8 660	9 046
Capital asset impairment	1	262	2 484	140	1 800	–	–	–
<b>Total Depreciation &amp; asset impairment</b>	<b>6 096</b>	<b>7 437</b>	<b>10 729</b>	<b>6 945</b>	<b>9 037</b>	<b>8 289</b>	<b>8 660</b>	<b>9 046</b>
<b><u>Bulk purchases</u></b>								
Electricity Bulk Purchases	44 057	48 523	53 635	58 497	62 411	71 502	76 865	82 630
Water Bulk Purchases	607	521	626	900	900	1 300	1 365	1 433
<b>Total bulk purchases</b>	<b>44 664</b>	<b>49 044</b>	<b>54 261</b>	<b>59 397</b>	<b>63 311</b>	<b>72 802</b>	<b>78 230</b>	<b>84 063</b>
<b><u>Transfers and grants</u></b>								
Cash transfers and grants	–	–	–	–	–	1 539	1 570	1 601
<b>Total transfers and grants</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 539</b>	<b>1 570</b>	<b>1 601</b>
<b><u>Contracted services</u></b>								
Payment Facilities	565	739	1 041	885	885	–	–	–
Cleaning Services	–	–	–	–	–	135	143	162
Clearing & Grass Cutting Services	–	–	–	–	–	110	116	124
Audit Committee	–	–	–	–	–	110	116	123
Other	–	–	–	–	–	–	–	–
Professional Services	–	–	–	–	–	3 210	2 470	2 327
Property Valuation	–	–	–	–	–	504	2 280	607
Debt Collection Services	–	–	–	–	–	200	210	215
Legal fees	–	–	–	–	–	1 304	1 364	1 424
Refuse Removal	–	–	–	–	–	1 100	1 155	1 213
Roads and Stormwater	–	–	–	–	–	150	140	147
Security Services	–	–	–	–	–	779	821	864
Traffic Fine Management	–	–	–	–	–	800	800	800
Recycling Services	422	388	295	545	400	–	–	–
<b>Total contracted services</b>	<b>988</b>	<b>1 127</b>	<b>1 336</b>	<b>1 430</b>	<b>1 285</b>	<b>8 401</b>	<b>9 615</b>	<b>8 005</b>

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>Other Expenditure By Type</b>								
Audit fees	1 407	1 680	2 597	2 860	2 610	2 780	2 819	2 893
General expenses	1 213	1 398	2 057	1 500	1 619	1 013	1 058	1 110
Repairs and Maintenance	7 862	8 697	10 057	10 063	10 523	10 811	11 385	13 185
Administration Fees	–	–	–	–	–	12	12	13
Actuarial Losses	19	2 022	2 774	–	–	–	–	–
Advertising	237	291	176	200	200	545	526	551
Advertising & Tourism	660	706	706	750	750	–	–	–
Audit Committee Allowances	58	69	61	100	90	–	–	–
Bank Charges	481	637	561	600	700	859	896	926
Books and Publications	–	–	–	–	–	57	57	59
Bursaries	–	–	–	–	–	190	195	195
Chemicals	811	1 061	1 124	1 270	1 270	1 220	1 277	1 326
Cleaning material	159	230	166	210	215	223	234	245
Cleaning projects	282	52	111	250	250	–	–	–
Cleaning services & washing	54	59	65	65	65	–	–	–
Commission Paid	–	–	–	–	–	1 003	1 053	1 106
Computer Services & License fees	1 085	1 256	1 642	2 431	2 562	–	30	–
Conferences & Seminars	–	–	–	–	–	134	151	143
Connections	–	–	–	–	–	308	324	341
Contributions - Pensioners Medical Aid and Pension	71	235	165	168	293	180	189	195
Donations	86	105	99	110	110	–	–	–
Entertainment costs	122	171	154	148	211	259	272	282
Feeding Schemes	–	–	–	–	–	–	–	–
Free Basic Electricity	230	171	215	336	250	–	–	–
Fuel Cost	2 351	2 595	3 129	2 912	2 894	2 632	2 747	2 866
Holiday Programmes & Entertainment	213	320	376	400	400	–	–	–
Housing Development Fund	458	597	400	–	–	–	–	–
Housing Subsidy	19	34 208	16 585	–	–	–	–	–
Human Development	368	218	301	170	170	–	–	–
Insurance	401	420	358	482	582	680	742	804
Indigent Subsidies	5 330	5 625	6 080	6 298	7 685	252	266	271
Job Creation	301	294	1 000	–	–	–	–	–
Legal fees	1 372	1 351	1 768	1 332	1 965	–	–	–
License fees	31	29	10	93	33	45	47	48
License fees - Vehicles	93	101	115	158	158	146	154	162
Local Economic Development	190	118	50	120	80	–	–	–
Oil & Lubricants	49	53	41	74	69	68	73	77
Postage	411	468	522	453	593	662	699	736
Printing & Stationery	713	849	920	805	976	723	718	782
Professional & Consultancy fees	3 318	2 093	4 845	2 542	2 642	–	–	–
Protective Clothing	219	203	314	320	392	404	424	445



Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
Public Communication	234	444	279	400	300	-	-	-
Recruiting Costs	95	146	228	194	170	70	74	77
Refuse Bags	445	396	375	480	480	401	426	442
Rental Paid	949	624	1 703	1 164	1 661	1 038	1 106	1 169
Security Services	453	520	676	675	678	255	268	282
Service Charges	170	597	540	511	644	591	638	686
Service connections - new	161	279	192	306	306	-	-	-
Social assistance	14	26	28	50	30	-	-	-
Socio-Economic Development	257	204	160	250	250	-	-	-
Structure - & Zoning planning	142	127	107	550	550	430	280	52
Subscriptions - Organisations	461	573	676	798	794	869	889	920
Subsistence & Travel Allowances	434	443	555	619	731	878	907	928
Telephone costs	1 549	1 349	1 404	1 375	1 255	1 138	1 190	1 851
Training & Development - Staff	487	355	2 169	893	771	1 540	1 538	1 614
Training Levy	490	548	607	666	666	502	537	575
Transfer costs	56	-	-	15	15	-	-	-
Union Representative	26	16	19	26	20	20	20	20
Valuation Costs	321	440	525	550	500	-	-	-
Ward Committees	299	508	554	505	355	370	370	370
Workmens Compensation Contributions	367	337	421	-	-	117	125	134
<b><u>Operating Grant Expenditure</u></b>	<b>31 600</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>1 356</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating Grant Expenditure - MSIG	-	-	-	146	146	-	-	-
Operating Grant Expenditure - FMG	-	-	-	1 175	1 175	1 230	1 475	1 550
Operating Grant Expenditure - FMSG	-	-	-	-	-	-	-	-
Operating Grant Expenditure - INEG	-	-	-	2 000	-	-	-	-
Operating Grant Expenditure - EPWP	-	-	-	1 024	1 024	1 000	-	-
Operating Grant Expenditure - Housing	-	-	-	18 590	22 466	2 300	20 450	37 120
Operating Grant Expenditure - Thusong centre	-	-	-	69	69	12	185	-
Operating Grant Expenditure - CDW	-	-	-	70	140	54	57	60
Operating Grant Expenditure - Roads	-	3 264	106	72	72	73	-	-
Operating Grant Expenditure - Mig PMU	-	-	-	-	527	542	551	571
Operating Grant Expenditure - Ward Committees	-	-	-	-	-	150	207	1 033
<b><u>Special Projects</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 014</b>	<b>5 904</b>	<b>6 429</b>
Special Projects - Job Creation	-	-	-	2 357	2 409	-	-	-
Special Projects - Cleaning	-	-	-	588	501	-	-	-
Special Projects - Heuningberg	-	-	-	50	50	-	-	-
Special Projects - Boubeheer	-	-	-	200	200	-	-	-
Special Projects - Toilets	-	-	-	400	400	-	-	-
Special Projects - HIV	-	-	-	-	-	-	-	-
<b>Total 'Other' Expenditure</b>	<b>69 685</b>	<b>79 580</b>	<b>70 866</b>	<b>73 989</b>	<b>81 067</b>	<b>43 801</b>	<b>63 545</b>	<b>84 644</b>

**Table 41 MBRR SA2 - Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)**

Description	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury	Vote 3 - Corporate Services	Vote 4 - Community and Social	Vote 8 - Electricity	Vote 14 - Infrastructure	Total
<b>R thousand</b>							
<b><u>Revenue By Source</u></b>							
Property rates	–	49 956	–	–	–	–	<b>49 956</b>
Service charges - electricity revenue	–	–	–	–	83 295	–	<b>83 295</b>
Service charges - water revenue	(1 230)	–	–	–	–	20 870	<b>19 641</b>
Service charges - sanitation revenue	(2 836)	–	–	–	–	9 515	<b>6 680</b>
Service charges - refuse revenue	(3 455)	–	–	–	–	14 276	<b>10 821</b>
Rental of facilities and equipment	–	–	1 000	4 475	–	–	<b>5 475</b>
Interest earned - external investments	–	1 970	–	–	–	–	<b>1 970</b>
Interest earned - outstanding debtors	–	800	–	–	–	–	<b>800</b>
Fines	–	–	10	1 426	–	–	<b>1 436</b>
Licences and permits	–	–	–	330	–	–	<b>330</b>
Agency services	–	–	–	1 309	–	–	<b>1 309</b>
Other revenue	–	412	1 160	643	667	550	<b>3 430</b>
Transfers recognised - operational	20 829	1 230	–	6 891	–	1 340	<b>30 290</b>
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>13 309</b>	<b>54 368</b>	<b>2 170</b>	<b>15 072</b>	<b>83 961</b>	<b>46 551</b>	<b>215 431</b>
<b><u>Expenditure By Type</u></b>							
Employee related costs	5 509	16 936	12 652	21 599	5 746	21 814	<b>84 256</b>
Remuneration of councillors	3 760	–	–	–	–	–	<b>3 760</b>
Debt impairment	–	650	–	890	450	2 400	<b>4 390</b>
Depreciation & asset impairment	–	2 846	–	65	1 400	3 978	<b>8 289</b>
Finance charges	–	–	1 480	–	–	1 403	<b>2 883</b>
Bulk purchases	–	–	–	–	71 502	1 300	<b>72 802</b>
Contracted services	1 896	2 218	908	1 114	–	2 265	<b>8 401</b>
Transfers and grants	1 539	–	–	–	–	–	<b>1 539</b>
Other expenditure	3 567	8 555	6 758	9 897	2 280	12 744	<b>43 801</b>
<b>Total Expenditure</b>	<b>16 271</b>	<b>31 204</b>	<b>21 797</b>	<b>33 565</b>	<b>81 379</b>	<b>45 905</b>	<b>230 122</b>
<b>Surplus/(Deficit)</b>	<b>(2 962)</b>	<b>23 163</b>	<b>(19 627)</b>	<b>(18 494)</b>	<b>2 582</b>	<b>646</b>	<b>(14 691)</b>
Transfers recognised - capital	–	1 000	–	220	2 000	10 245	<b>13 464</b>
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(2 962)</b>	<b>24 163</b>	<b>(19 627)</b>	<b>(18 274)</b>	<b>4 582</b>	<b>10 891</b>	<b>(1 227)</b>

**Table 42 MBRR SA3 - Supporting detail to 'Budgeted Financial Position'**

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>ASSETS</b>								
<u><b>Call investment deposits</b></u>								
Call deposits < 90 days	-	-	10 000	-	-	-	-	-
<b>Total Call investment deposits</b>	-	-	10 000	-	-	-	-	-
<u><b>Consumer debtors</b></u>								
Consumer debtors	19 912	22 959	27 854	30 071	34 015	40 552	47 530	54 982
<u>Less: Provision for debt impairment</u>	(6 198)	(8 230)	(10 211)	(9 950)	(12 521)	(16 021)	(19 646)	(23 499)
<b>Total Consumer debtors</b>	<b>13 714</b>	<b>14 729</b>	<b>17 643</b>	<b>20 121</b>	<b>21 494</b>	<b>24 530</b>	<b>27 884</b>	<b>31 483</b>
<u><b>Debt impairment provision</b></u>								
Balance at the beginning of the year	5 437	6 198	8 230	8 855	10 211	12 521	16 021	19 646
Contributions to the provision	1 008	2 327	2 630	1 095	2 310	3 500	3 625	3 852
Bad debts written off	(247)	(295)	(649)	-	-	-	-	-
<b>Balance at end of year</b>	<b>6 198</b>	<b>8 230</b>	<b>10 211</b>	<b>9 950</b>	<b>12 521</b>	<b>16 021</b>	<b>19 646</b>	<b>23 499</b>
<u><b>Property, plant and equipment (PPE)</b></u>								
PPE at cost/valuation (excl. finance leases)	283 497	310 040	338 170	342 326	356 764	380 016	412 412	440 712
Leases recognised as PPE	2 251	1 765	866	1 737	866	866	866	866
<u>Less: Accumulated depreciation</u>	51 085	56 959	62 563	72 003	69 343	77 090	85 208	93 711
<b>Total Property, plant and equipment (PPE)</b>	<b>234 663</b>	<b>254 846</b>	<b>276 473</b>	<b>272 060</b>	<b>288 287</b>	<b>303 791</b>	<b>328 070</b>	<b>347 866</b>

Description	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>LIABILITIES</b>								
<b><u>Current liabilities - Borrowing</u></b>								
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	390	424	304	272	255	586	1 519	2 002
<b>Total Current liabilities - Borrowing</b>	<b>390</b>	<b>424</b>	<b>304</b>	<b>272</b>	<b>255</b>	<b>586</b>	<b>1 519</b>	<b>2 002</b>
<b><u>Trade and other payables</u></b>								
Trade and other creditors	6 892	6 170	7 214	7 812	7 812	6 797	8 232	9 609
Unspent conditional transfers	1 517	2 351	5 529	419	153	153	153	153
VAT	395	–	–	–	–	–	–	–
<b>Total Trade and other payables</b>	<b>8 804</b>	<b>8 521</b>	<b>12 743</b>	<b>8 231</b>	<b>7 965</b>	<b>6 951</b>	<b>8 385</b>	<b>9 762</b>
<b><u>Non current liabilities - Borrowing</u></b>								
Borrowing	699	560	399	214	185	2 472	11 515	14 225
Finance leases (including PPP asset element)	346	96	104	–	63	41	–	–
<b>Total Non current liabilities - Borrowing</b>	<b>1 044</b>	<b>656</b>	<b>504</b>	<b>214</b>	<b>248</b>	<b>2 513</b>	<b>11 515</b>	<b>14 225</b>
<b><u>Provisions - non-current</u></b>								
Retirement benefits	25 435	30 374	36 562	35 510	40 800	44 064	47 589	51 396
<i>List other major provision items</i>								
Refuse landfill site rehabilitation	10 752	21 237	21 325	23 349	22 443	23 618	24 855	26 098
Other	–	–	–	–	–	–	–	–
<b>Total Provisions - non-current</b>	<b>36 187</b>	<b>51 611</b>	<b>57 888</b>	<b>58 859</b>	<b>63 243</b>	<b>67 682</b>	<b>72 445</b>	<b>77 494</b>
<b>CHANGES IN NET ASSETS</b>								
<b><u>Accumulated Surplus/(Deficit)</u></b>								
Accumulated Surplus/(Deficit) - opening balance	219 069	250 572	265 969	260 327	275 612	285 296	288 869	276 292
GRAP adjustments	15 429	–	–	–	–	–	–	–
Restated balance	234 498	250 572	265 969	260 327	275 612	285 296	288 869	276 292
Surplus/(Deficit)	7 074	11 897	6 893	3 436	(1 265)	(1 227)	(12 577)	(13 323)
Appropriations to Reserves	(5 064)	(6 442)	(14 565)	(500)	–	–	–	–
Transfers from Reserves	14 064	9 942	17 315	8 537	10 950	4 800	–	–
Depreciation offsets	–	–	–	–	–	–	–	–
Other adjustments	–	–	–	–	–	–	–	–
<b>Accumulated Surplus/(Deficit)</b>	<b>250 572</b>	<b>265 969</b>	<b>275 612</b>	<b>271 800</b>	<b>285 296</b>	<b>288 869</b>	<b>276 292</b>	<b>262 969</b>
<b><u>Reserves</u></b>								
Housing Development Fund	–	–	–	–	–	–	–	–
Capital replacement	20 500	16 500	15 750	12 000	4 800	–	–	–
Self-insurance	–	–	–	–	–	–	–	–
Other reserves	1 500	2 000	–	1 000	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–
<b>Total Reserves</b>	<b>22 000</b>	<b>18 500</b>	<b>15 750</b>	<b>13 000</b>	<b>4 800</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>272 572</b>	<b>284 469</b>	<b>291 362</b>	<b>284 800</b>	<b>290 096</b>	<b>288 869</b>	<b>276 292</b>	<b>262 969</b>

**Table 43 MBRR SA9 - Social, economic and demographic statistics and assumptions**

Description of economic indicator	Basis of calculation	2011 Census	2015/16 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome
<b>Demographics</b>					
Population	Information provided by StatsSA	33	33		
Females aged 5 - 14	Number of population (not %) as per census and based on % of population in gender group	2	2		
Males aged 5 - 14	Number of population (not %) as per census and based on % of population in gender group	3	3		
Females aged 15 - 34	Number of population (not %) as per census and based on % of population in gender group	5	5		
Males aged 15 - 34	Number of population (not %) as per census and based on % of population in gender group	5	5		
Unemployment	Broad definition of the 2011 census (economically active youth)	19,5%	19,5%		
<b>Monthly household income (no. of households)</b>					
No income	Statistics SA does not keep records in these groupings. We have taken the statistics provided by Stats SA and worked out an average household based on their groupings - R104,024 average household income	R8,670 average income per household			
R1 - R1 600			3 109		
R1 601 - R3 200			353		
R3 201 - R6 400					
R6 401 - R12 800					
R12 801 - R25 600					
R25 601 - R51 200					
R52 201 - R102 400			6 700		
R102 401 - R204 800					
R204 801 - R409 600					
R409 601 - R819 200					
> R819 200					
<b>Poverty profiles (no. of households)</b>					
< R2 060 per household per month	The municipality does not keep records of this nature and StatsSA also does not have statistics for this amount. We have used the municipal amount of <R3 200 as poor	3 462	3 462		
Insert description	Used amount of <R3 200 as poor as defined and used by the municipality				
<b>Household/demographics (000)</b>					
Number of people in municipal area		33 301	33 301		
Number of poor people in municipal area	Data not available. Calculation based on number of indigent households (statistics kept by municipality) multiplied by average household size as per StatsSA	13 156	13 156		
Number of households in municipal area	Statistics SA 2011 census - excluding farm dwellings of 1164	10 162	10 162		
Number of poor households in municipal area	Statistics as per the 2012/13 financial year	3 462	3 462		
Definition of poor household (R per month)	Income of <R3 200				

Description of economic indicator	Basis of calculation	2011 Census	2015/16 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome
<b><u>Housing statistics</u></b>					
Formal	Stats SA 2011 census	8 658	8 658		
Informal	Difference between total household less formal household as per StatsSA	1 504	1 504		
<b>Total number of households</b>		10 162	10 162	-	-
Dwellings provided by municipality	Statistics of dwellings provided kept by the municipality	-	-		
Dwellings provided by province/s	Statistics of dwellings provided kept by the municipality	668	668		
Dwellings provided by private sector	Statistics of dwellings provided kept by the municipality	9 494	9 494		
<b>Total new housing dwellings</b>		10 162	10 162	-	-
<b><u>Economic</u></b>					
Inflation/inflation outlook (CPIX)			4.8%	5.9%	5.6%
Interest rate - borrowing			9.3%	9.3%	9.3%
Interest rate - investment			5.3%	5.3%	5.3%
Remuneration increases			5.1%	6.2%	5.9%
Consumption growth (electricity)					
Consumption growth (water)					
<b><u>Collection rates</u></b>					
Property tax/service charges			96.3%	96.3%	96.3%
Rental of facilities & equipment			96.3%	96.3%	96.3%
Interest - external investments			100.0%	100.0%	100.0%
Interest - debtors			96.3%	96.3%	96.3%
Revenue from agency services			100.0%	100.0%	100.0%

Table 44 MBRR SA11 - Property rates summary

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Valuation:</b>	1									
Date of valuation:		2/7/2008	2/7/2008	2012/07/02	2012/07/02					
Financial year valuation used		2011/2012	2012/2013	2013/2014	2013/2014			2013/2014		
Municipal by-law s 6 in place? (Y/N)	2	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		N	N	N	N	N	N	N	N	N
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)		No	No	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)		1/7/2009	1/7/2009	2013/07/01	2013/07/01			2013/07/01		
No. of properties	5	11 125	11 989	12 023	12 023	12 023	12 023	12 572	12 572	12 572
No. of sectional title values	5	147	195	195	195	195	195	195	195	195
No. of unreasonably difficult properties s7(2)		-								
No. of supplementary valuations		1	1	1	1	2	2	12	12	12
No. of valuation roll amendments		1 460		1 437	1 437	1 325	1 325			
No. of objections by rate payers		30			251	2	2			
No. of appeals by rate payers		10			40	-	-			
No. of successful objections	8	20			101	-	-			
No. of successful objections > 10%	8	1			3	-	-			
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)		0	0	0	235	235	235	0	0	0
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)		-	-	-	52	52	52	52	52	52
Valuation reductions-other (Rm)		-	-	-	88	88	88	102	102	102
<b>Total valuation reductions:</b>		-	-	-	140	140	140	154	154	154
Total value used for rating (Rm)	5	8 583	8 788	10 443	10 420	10 420	10 420		10 539	10 539
Total land value (Rm)	5	4 327	4 341							
Total value of improvements (Rm)	5	4 255	4 446							
Total market value (Rm)	5	8 583	8 788	10 443	10 420	10 420	10 420		10 539	10 539
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		No	No	No	No			No	No	No
Special rating area used? (Y/N)		No	No	No	No			No		
Phasing-in properties s21 (number)		No	No	No	No			No	No	No
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
<b>Rate revenue:</b>										
Rate revenue budget (R '000)	6	32 554	34 889	39 475	42 304	42 944	42 944	50 116	52 622	55 253
Rate revenue expected to collect (R'000)	6	31 037	33 797	38 015	41 458	41 355	41 355	48 262	50 675	53 209
Expected cash collection rate (%)		98.0%	98.0%	96.3%	98.0%	96.3%	96.3%	96.3%	96.3%	96.3%
Special rating areas (R'000)	7									
Rebates, ex emptions - indigent (R'000)		-	-	-	-	-	-	-	-	-
Rebates, ex emptions - pensioners (R'000)		126	126	150	155	161	161	160	168	176
Rebates, ex emptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-
Rebates, ex emptions - other (R'000)		-	-	-	-	-	-	-	-	-
Phase-in reductions/discouts (R'000)		-	-	-	-	-	-	-	-	-
<b>Total rebates, exemptns, reductns, discs (R'000)</b>		126	126	150	155	161	161	160	168	176

**Table 45 MBRR SA12a - Property rates by category (current year)**

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public benefit organs.
<b>Current Year 2014/15</b>							
<b>Valuation:</b>							
No. of properties	9 986	–	462	1 073	230	452	60
No. of sectional title property values	195						
No. of unreasonably difficult properties s7(2)	–						
No. of supplementary valuations	2						
Supplementary valuation (Rm)							
No. of valuation roll amendments	1 325						
No. of objections by rate-payers	2						
No. of appeals by rate-payers	–						
No. of appeals by rate-payers finalised	–						
No. of successful objections	–						
No. of successful objections > 10%	–						
Estimated no. of properties not valued	10						
Years since last valuation ( <b>select</b> )	1						
Frequency of valuation ( <b>select</b> )	4						
Method of valuation used ( <b>select</b> )	Market						
Base of valuation ( <b>select</b> )	Land & impr.						
Phasing-in properties s21 (number)	0						
Combination of rating types used? (Y/N)	Yes						
Flat rate used? (Y/N)	No						
Is balance rated by uniform rate/variable rate?	Variable						
<b>Valuation reductions:</b>							
Valuation reductions-public infrastructure (Rm)	–						
Valuation reductions-nature reserves/park (Rm)	–						
Valuation reductions-mineral rights (Rm)	–						
Valuation reductions-R15,000 threshold (Rm)	–						
Valuation reductions-public worship (Rm)	52						
Valuation reductions-other (Rm)	–						
<b>Total valuation reductions:</b>							
Total value used for rating (Rm)	10 420						
Total land value (Rm)	–						
Total value of improvements (Rm)	–						
Total market value (Rm)	10 420						
<b>Rating:</b>							
Average rate	0.005218						
Rate revenue budget (R '000)	42 944						
Rate revenue expected to collect (R'000)	41 355						
Expected cash collection rate (%)	96.3%						
Special rating areas (R'000)	–						
Rebates, exemptions - indigent (R'000)	–						
Rebates, exemptions - pensioners (R'000)	161						
Rebates, exemptions - bona fide farm. (R'000)	–						
Rebates, exemptions - other (R'000)	–						
Phase-in reductions/discounts (R'000)	–						
<b>Total rebates, exemptns, reductns, discs (R'000)</b>							



**Table 46 MBRR SA12b - Property rates by category (current year)**

Description	Resi.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public benefit organs.
<b><u>Budget Year 2015/16</u></b>						
<b><u>Valuation:</u></b>						
No. of properties	9 986	462	1 073	230	452	60
No. of sectional title property values	195					
No. of unreasonably difficult properties s7(2)	–					
No. of supplementary valuations	12					
Supplementary valuation (Rm)						
No. of valuation roll amendments	1 325					
No. of objections by rate-payers	2					
No. of appeals by rate-payers	–					
No. of appeals by rate-payers finalised	–					
No. of successful objections	–					
No. of successful objections > 10%	–					
Estimated no. of properties not valued	10					
Years since last valuation ( <b>select</b> )	1					
Frequency of valuation ( <b>select</b> )	4					
Method of valuation used ( <b>select</b> )	Market					
Base of valuation ( <b>select</b> )	Land & impr.					
Phasing-in properties s21 (number)	0					
Combination of rating types used? (Y/N)	Yes					
Flat rate used? (Y/N)	No					
Is balance rated by uniform rate/variable rate?	Variable					
<b><u>Valuation reductions:</u></b>						
Valuation reductions-public infrastructure (Rm)						
Valuation reductions-nature reserves/park (Rm)						
Valuation reductions-mineral rights (Rm)						
Valuation reductions-R15,000 threshold (Rm)						
Valuation reductions-public worship (Rm)	52					
Valuation reductions-other (Rm)						
<b><u>Total valuation reductions:</u></b>						
Total value used for rating (Rm)	10 539					
Total land value (Rm)						
Total value of improvements (Rm)						
Total market value (Rm)	10 539					
<b><u>Rating:</u></b>						
Average rate						
Rate revenue budget (R '000)	52 622					
Rate revenue expected to collect (R'000)	50 675					
Expected cash collection rate (%)	96.3%					
Special rating areas (R'000)						
Rebates, exemptions - indigent (R'000)						
Rebates, exemptions - pensioners (R'000)	160					
Rebates, exemptions - bona fide farm. (R'000)						
Rebates, exemptions - other (R'000)						
Phase-in reductions/discounts (R'000)						
<b>Total rebates,exemptns,reductns,discs (R'000)</b>						

**Table 47 MBRR SA13a - Service Tariffs by category**

To be included

**Table 48 MBRR SA13b - Service Tariffs by category - explanatory**

Refer to Table SA13a

**Table 49 MBRR SA15 - Investment particulars by type**

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>Parent municipality</b>								
Securities - National Government	-	-	-	-	-	-	-	-
Listed Corporate Bonds	-	-	-	-	-	-	-	-
Deposits - Bank	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-
Municipal entity	-	135	45	140	45	45	45	45
<b>Consolidated total:</b>	-	135	45	140	45	45	45	45

The municipality does not have any cash investments at year-end. The only non-current investments relates to shares held in a municipal entity. This entity is currently dormant and in process of being de-registered. Council approved to deregister the entity during May 2013 and it is at this stage not clear when the confirmation from CIPRO will be received.

**Table 50 MBRR SA16 - Investment particulars by maturity**

As indicated above, the municipality does not have any cash investments at any year-end, as all cash is transferred to the current account just before each respective year-end.

**Table 51 MBRR SA17 – Borrowing**

Borrowing - Categorised by type	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>								
<b>Parent municipality</b>								
Long-Term Loans (annuity/reducing balance)	699	560	399	214	185	2 472	11 515	14 225
Financial Leases	346	96	104	-	63	41	-	-
<b>Municipality sub-total</b>	<b>1 044</b>	<b>656</b>	<b>504</b>	<b>214</b>	<b>248</b>	<b>2 513</b>	<b>11 515</b>	<b>14 225</b>

## 2.14 Manager's quality certificate

I ....., Municipal Manager of Cape Agulhas Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name \_\_\_\_\_

Municipal Manager of Cape Agulhas Municipality

Signature \_\_\_\_\_

Date \_\_\_\_\_

## **Part 3 – Appendices**

### **3.1 Appendix A – Tariff Listing**

Refer to Appendix A attached.

### **3.2 Appendix B – Time Table tabled by Mayor**

Refer to Appendix B attached.

### **3.3 Appendix C – Draft SDBIP**

Refer to Appendix C attached.